

The Pact for Skills – Skills Partnership for the Automotive Ecosystem

10th November 2020

The challenge

The European auto industry is going through an unprecedented transformation because of the short-term impact of the COVID crisis, as well as the long-term shift towards clean and digital mobility, and the goal of achieving carbon neutrality by 2050. This transition is already significantly impacting the lives of the more than 14.6 million Europeans currently employed in the automotive value chain. The whole European automotive ecosystem, from small SMEs to big OEMs and from suppliers, dealers, up to very last maintenance and repair workshops, is facing disruption.

The transition and foreseen structural change crucially impact the workforce with numbers of jobs being endangered in the short to medium-term, whereas the entire automotive chain struggles to attract and recruit qualified people for new and emerging jobs coming. To remain competitive and to meet their economic and social responsibilities, the industry needs to invest significantly in the re/upskilling of its workforce.

The ambition

A recovery strategy to implement an up/reskilling framework maximising industry competitiveness, job retention and new job opportunities paving the way to a skills partnership for the automotive ecosystemⁱ. It presents a roadmap towards skills transformation as well as contributes to post-COVID recovery. It further broadens the outcomes of DRIVES (Blueprint project) which provides key inputs to the future work of the skills partnershipⁱⁱ.

The partnership also builds on inclusivity and openness for all other existing or future stakeholders, initiatives or projects (e.g. ALBATTIS Blueprint project) to jointly cooperate under one European umbrella. The ambition of the partnership is to enable up-/re-skilling of 5% of workforce each year to tackle the industrial transition in the automotive ecosystem.

The proposal

In order to reach this target, the partners jointly commit to:

- establish a skills partnership for the automotive ecosystemⁱⁱⁱ;
- update intelligence about the ecosystem and its development that leads to continuous skills needs updates and provides guidance to education providers;
- set-up an EU-wide framework for skills and job roles building on the DRIVES outcomes; share experience and best practices;
- provide financial or non-financial contribution (depending on the nature of the entities) to the trainings realised under the Framework, depending on the financial schemes valid for individual projects in respective regions or Member States.

Trainings would be implemented with a focus on analysing and defining the skills needs, where industry is committed to share its perspective and strategy^{iv}; streamlining the workforce planning, including skills employee assessment, where industry and regional/national authorities will cooperate together^v; providing relevant trainings and education courses for all kinds of trainings and levels of education^{vi}; and assessing the outcomes of the trainings to improve quality of the system as a joint exercise of all stakeholders involved^{vii}.

The commitment and the key performance indicators

The partnership will ensure sustainable and systematic sectoral cooperation based on commitment of all stakeholders involved; systematic EU-wide recognition of skills and knowledge and EU-wide

mutually accepted definitions of skills and job-roles. Implementation would start in at least 5 pilot regions in 2021. The ambition to upskill 5% of the workforce each year would result in 700.000 employees to be upskilled and reskilled along the automotive ecosystem in coming years. Considering this ambition and provided that the reskilling investment per employee on average €10.000 is expected^{viii}, this represents an overall commitment from the private and public authorities around €7bn to be invested^{ix}.

The Key Performance Indicators (KPIs) would include: number of involved stakeholders and coverage of the ecosystem; coverage of countries and regions; stakeholders coverage of involvement in sectoral drivers of change, such as carbon-neutral mobility, electrification, new power trains, green mobility, batteries, power cells, IT applications etc.

Supported by

Industry



Social Partners



Educational and Training Organisations





Other types of Organisations



Regions and Municipalities



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- i Reflecting the discussion during the high-level roundtable organised by the Commissioners Schmit and Breton on 23 September 2020
 - ii Such as initial ecosystem intelligence, skills mapping, basic principles of the EU skills Framework in the automotive or dedicated database of industrial stakeholders, education providers and other relevant stakeholders
 - iii Based on stakeholders joint call (https://www.acea.be/uploads/news_documents/Joint_proposal_Pact_for_Skills.pdf), contact: info@skills-alliance.eu
 - iv e.g. through regular exchange between regional stakeholders as well as on EU level on the skills and job roles needs based on reference definitions
 - v e.g. through assessment of employee's skills in order to identify the skills gap and offer the training path
 - vi e.g. through DRIVES training courses in form of MOOCs or any other training courses that could be used in pilot regions directly for training of the individuals or providing train-the-trainers and train-the-teachers activities; cooperation between industry and training providers to create new, update or amend courses to serve the latest skills needs and to support modular approach
 - vii e.g. through KPIs such as number of up-skilled employees in the sector or employability of the individual up-/re-skilled to new job roles in the current company or within the ecosystem
 - viii Depending on the initial level of qualification, the overall skills gap compared to the most required skills by the company, the level of qualification required by the future job, duration of the training and the worker salary during the period. Source: PwC
 - ix The successful placement in a new job in 70% of the targeted population, the return on investment is calculated at corporate level by savings on lay off costs, recruitments cost and accelerated revenues. State level by savings on unemployment benefits and accelerated social and tax revenues. Based in our different estimations, at minimum on large scale programs, one euro invested in upskilling generates at least 2-euro savings and can go up to 5-euro savings. Source: PwC