

***New Skills for New Jobs:* an area for trade union involvement**

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The *New Skills for New Jobs* initiative was launched in a Communication from the European Commission in 2008, with a view to evaluating skills needs up to 2020 and combining the response to these needs with the declaration of a new industrial policy (CEC, 2008)¹. The stated purpose was to go beyond defensive restructuring measures, instead adopting a pro-active strategy for developing individual skills and providing options for productive specialisation.

The European Trade Union Confederation (ETUC), in conjunction with its affiliated sectoral federations, has begun a process of constructive criticism of this initiative². This article highlights, firstly, the key points in the initiative, which emerge clearly from the available forward studies. It continues by analysing the European Commission's proposal to set up Sector Councils on Employment and Skills at European level, and then considers the possible implications of these for the labour markets and the development of lifelong learning. In conclusion, the article identifies certain conditions which must be met if these initiatives are to help consolidate Europe's international competitive position and to improve social justice within European societies.

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1. The title of the *New Skills for New Jobs* initiative was surreptitiously changed by the European Commission to *New Skills and Jobs*. The original name places greater emphasis on the need for innovation.
 2. This article is based on work done by the Alpha Group's Centre Études & Prospective (Centre for Studies and Forecasting) for the European Trade Union Confederation. The team in charge of this work, led by Jacky Fayolle, was made up of Odile Chagny, Sonia Hacquemand, Mathieu Malaquin, Antoine Rémond, Natacha Seguin and Sabine Vincent.

1. Jobs and skills: a European strategy still at an embryonic stage

1.1 Obstacles and major challenges

The crisis of 2008-2009 has confirmed conclusively that the results of the Lisbon Strategy do not live up to the hopes invested in it. The difficulties with this strategy, however, cannot be attributed solely to the impact of the crisis. There were indications that the strategy was not going to plan well before this crisis took hold:

- lack of investment in training and R&D;
- poor matching between sectors, jobs and skills;
- quality of employment no longer being viewed as a key factor in productivity.

Since these trends pre-date the crisis, indeed, there is now a risk that the crisis itself, if not adequately addressed, may lead to a deepening and cementing of European weaknesses. The practices of companies prioritising cuts in labour costs and Member States making indiscriminate cuts in public spending may hinder any pro-active attempts to overcome these weaknesses.

The increase in unemployment, which varies between countries, but which is very high in some, does not encourage the development of skills, which are considered a lower priority when the job market is sluggish everywhere. Yet the combination of demographic and economic changes creates as many pitfalls as it provides opportunities. In sectors where the crisis has led to long-term overcapacity with an ageing workforce, the risk of a silent but irreversible industrial decline needs to be taken seriously. Man and machine may end up retiring together. Preventing this from happening involves encouraging skill renewal and transfer between generations, in particular by making industrial trades more appealing to young workers. This involves much more than just making workers adapt to fit existing jobs. If industries do not make their jobs and careers more attractive, many may see their future under threat from the fall-out of demographic change.

The crisis has therefore increased the need to clarify which steps must be taken. The *New Skills for New Jobs* initiative has become one of the seven 'flagship initiatives' proposed in the *Europe 2020* Communication (CEC, 2010a) from the European Commission at the beginning of 2010. However, the terms and methods contained in this new 10-year strategy are still hesitant. The Open Method of Coordination, (OMC), promoted in areas which remain primarily under national competence, has failed to foster the active commitment of public and private national players. The Lisbon Strategy is dead and the *Europe 2020* strategy is still at an embryonic stage.

Awareness of the challenge facing European countries, however, is becoming more widespread and acute: the ability of these countries to play an effective role in the new competitive and environmental context of the global economy, relies on improved and appropriate skills being made available to all. If European citizens are to maintain their standard of living and quality of life, this challenge must be met and certain clear obstacles overcome:

- Too many of today's workers are low-skilled. The crisis has highlighted their particular vulnerability on the labour market, when this market is hit by serious, enduring difficulties. In spite of ever-improving standards of education amongst younger generations, it is not enough to be a young European to be sure of having the top-level know-how and skills demanded in today's world. There are a number of European countries which do not rank highly in international comparisons of educational levels and performance.
- The spread and growth of precarious employment and work encourages neither employees nor employers to develop skills. Young people in particular are affected by this. Finding a way into the workplace is often difficult. In order to improve skills for all, we must fight against such instability, in an inclusive labour market. The social partners have reached agreement on the principles governing such an inclusive market and on their respective roles in ensuring these are upheld (BusinessEurope *et al.*, 2010).

Competition between companies and countries to attract talented people is one facet of globalisation. If this competition leads solely to better pay for such talented people, further dividing the labour market, it will ultimately benefit neither lower-skilled workers nor the overall competitiveness of the European economy. Public and private training initiatives must contribute jointly to the improvement and greater use of skills, maintaining a balance across generations, between women and men and between workers in large and small companies. People threatened by social exclusion, be they early school-leavers or low-qualified migrants, must not be left out of this general bid to upgrade skills. The social cohesion and economic effectiveness of European societies is at stake.

1.2 The contributions made by forecasting work

In recent years, EU bodies have encouraged systematic efforts to explore the future dynamics of employment and skills. Two main sets of forward studies are available at European level: the forecasts carried out by CEDEFOP (the European Centre for the Development of Vocational Training) and the sectoral surveys coordinated by the European Commission (see below).

The CEDEFOP forecasts and the sectoral surveys

CEDEFOP (2009 and 2010a) makes quantitative forecasts on the supply and demand of jobs and skills from country to country (for the 27 EU Member States, Norway and Switzerland). These forecasts are broken down by sector (into 41 sectors, in accordance with NACE, the statistical classification of economic activities in the European Communities), by occupation (into 27 occupations, in accordance with ISCO, the International Standard Classification of Occupations), and by qualification (in accordance with ISCED, the International Standard Classification of Education, using three broad levels of formal qualification). The forecasts, which use complex modelling techniques, provide useful information on the relationship between potential routes for economic growth and the structural dynamics of employment and qualification. They measure, in summary fashion, the imbalances between the qualifications needed for jobs and the formal skills of individuals. This ambitious project inevitably comes up against obstacles making it difficult to use such forecasts in the context of social dialogue:

- the standard classifications cannot be applied homogeneously in all countries;
- a sound assessment of imbalances between supply and demand for skills requires both formal and informal skills to be properly reported. It is still difficult to do this within a uniform framework. Better knowledge is also required of the hiring sources and the recruitment methods used by different sectors and professions;
- forecasts combine a reasoned extrapolation of long-term trends with the explicit consideration of key economic factors: sectoral redeployments, international trade and the way in which technological and organisational changes interact to determine the demand for skills from companies. The correct interpretation of these results requires the methods used to be transparent, something which is made more difficult by their technical nature.

In parallel to the quantitative forecasts of CEDEFOP, the Commission has coordinated a series of surveys in 19 sectors, using a common methodology which sets out a series of steps towards a consistent well-grounded forecast: mapping the strengths and weaknesses of each sector; identifying the change factors and emerging job profiles; qualitative scenarios; the impact on employment and skills; companies' strategic options; implications for education and training; recommendations. A summary is available, which reflects the diversity of sectoral situations and paths³. Consequently, the overall changes affecting the European economy will depend greatly on the nature of any sectoral redeployments: if the trend towards relative growth of the service sector persists, the fate of industrial specialisations will be uncertain.

As these surveys are not based on the same methodology as the work done by CEDEFOP, it is only to be expected that the results are not identical, even on some important points (such as the expected development of intermediate-skilled jobs). If these differences are to enrich discussions rather than act as a source of confusion, they must be interpreted rigorously, since the sectoral area, the classifications and economic assumptions used etc. can differ greatly between the two approaches.

3. Cf. on the European Commission website <http://ec.europa.eu/restructuringsandjobs> and the summary *Transversal Analysis on the Evolution of Skills Needs in 19 Economic Sectors* (Oxford Research, 2010).

CEDEFOP's baseline scenario for 2020 highlights the scale of expected job mobility, as a result of the disparity between low net job creation (7.2 million between 2010 and 2020) and the high number of vacancies (80.3 million, i.e. the 7.2 million new jobs plus 73.1 million posts which will become vacant). This is the result of the expected renewal of the working population, allowing for significant numbers of workers retiring. This renewal will open up many new job opportunities, mainly for medium-skilled workers. Medium-skilled workers will still make up half of Europe's working population in 2020, even if their number is not increasing as fast as is the number of the highly-qualified.

The twin trend towards an increased level of education and training in the working population and a greater number of jobs demanding higher qualifications is a major trend expected to continue. The question of how many jobs will be created requiring medium-level qualifications is one which appears to be more sensitive to the degree of optimism in the scenario than for jobs requiring high or low skill levels. It is related to changes in the demographic and sectoral structure. The proportion of people with medium-level qualifications is higher among the over-40s, compared to younger workers. These older workers can be found in industrial jobs under threat. If such threats materialise, the net creation of jobs in industry will drop further.

Sectoral surveys conducted by the Commission reflect the sharp decline, prior to the crisis, in the employment of skilled manual workers in industrial production and the energy sector. In the coming decade, the combination of technical progress favouring the highly-qualified and the relocation of medium-skilled production jobs risks accentuating this trend in these sectors. The synthesis document summarising the 19 sector studies identifies those sectors particularly severely affected: the automotive industry, shipbuilding, the IT and electro-mechanical industries as well as the chemical and textiles sectors etc. Only a minority of sectors seem able to combine increased employment with significant upskilling; these are mainly service sectors such as healthcare and telecommunications.

Gender also plays a role in the dynamics of qualifications: qualification levels of women are rising at a faster pace than those of men. In terms of labour supply, women are now practically at an equal level with men at high qualification levels. The changes in activity rates of women and

older workers will therefore have profound effects on the dynamics of qualifications. The replacement of older male workers by new generations of women is a factor pushing up qualification levels. In an optimistic scenario, where the job requirements of the whole population are met, this development may amount to a smooth adjustment in favour of gender equality at work. However, in a less favourable scenario, skilled women risk being confronted by imbalances in the labour market hindering full recognition of their qualifications.

The CEDEFOP forecasts do indeed point to the threat of a polarised net expansion of jobs, mainly benefiting highly-skilled occupations, but also an increase in so-called 'elementary' jobs, consisting of routine tasks requiring little personal initiative. Such polarisation brings with it a twofold risk: that qualified people could be 'relegated' into elementary, low-qualified jobs, and, secondly, that they would thus prevent the low-qualified from taking up these jobs. The scale of this risk becomes clear if we think that in the baseline scenario, European employment figures for 2020 are not expected to return to their 2008 peak. For a European working population approaching 250 million people in 2020, the crisis is expected to have caused the loss of around 10 million jobs (compared with a fictitious non-crisis scenario). This loss, according to CEDEFOP's baseline scenario, will not be reabsorbed before 2025.

The assumption made in the CEDEFOP forecasts that a significant proportion of the workforce will be overqualified, is based on two distinct but interlinked developments:

- the continued growth of 'elementary occupations'⁴ calling for people with medium or high levels of qualification. The transport sector, hotels and catering, healthcare and social care, maintenance and cleaning services are particularly affected by this trend. These are also sectors requiring high levels of qualification and thus likely to fuel the above-mentioned polarisation. CEDEFOP's baseline scenario gives some idea of the foreseeable scale of this phenomenon: some 3 million jobs for people with medium or high-level qualifications are expected to be created in

4. These so-called elementary occupations exist in most sectors. A typical example is the job of labourer, but there are other occupations of this type.

'elementary occupations', with around one million jobs for the low-qualified disappearing in the same occupations. In comparison with a net creation of 7.2 million jobs between 2010 and 2020, this is no small figure.

- imbalance between supply and demand of qualifications in different occupations, measured according to the three levels of the ISCED classification. Supply and demand are forecast separately, then adjusted in an attempt to eliminate the discrepancies not likely to mean a real imbalance. The supply of medium and high-level qualifications is growing faster than the corresponding demand expressed by employers. This discrepancy does not solely affect elementary occupations.

The continuing existence of high rates of unemployment, resulting from the crisis, is giving rise to fears that the less-skilled may experience major difficulties, as they will have to compete with more highly qualified people for jobs considered as elementary. The 2010 unemployment rate for people with qualifications no higher than the first cycle of secondary education is over 18% throughout the European Union (as opposed to around 10% for the whole of the working population). According to the CEDEFOP baseline scenario, this rate is expected to decline slowly, remaining above 16% in 2020 (8% for the whole working population). The recession is having a particularly severe impact on employment of the lower-skilled, thereby undermining social cohesion. Risks of labour shortages in certain highly qualified occupations will exist side by side with a long-term deterioration of the situation for the least qualified.

Supply and demand for skills, however, are not two independent variables. Interaction between them leads to adjustments which can temper initial imbalances, by means of, in particular, on-the-job learning and training measures targeting job-seekers. More information is necessary on this point. The survey of European companies planned by CEDEFOP, investigating recruitment and training practices, is one step in this direction, towards gaining a better understanding of how these companies view and handle tensions relating to skills. The

recognition of informal, and therefore less visible, skills introduces greater flexibility, contrasting with the rigidity of a logic based solely on skill-matching⁵.

1.3 Joining forces: social dialogue and public policy

The report of the expert group tasked by the Commission with drafting a balanced and coherent action programme defines four paths of action (CEC, 2010b):

- the introduction of the right incentives for both individuals and employers to upgrade skills and make better use of them;
- getting the worlds of education, training and work to cooperate more closely;
- developing the right mix of skills;
- better anticipating future skill needs.

The European trade union movement is giving these issues top priority, asking how to better equip workers for more frequent and more risky job changes. The upgrading of individual skills throughout our working lives is a key component of such equipping, helping to achieve more secure careers and greater choice when it comes to mobility. This approach addresses all possible transitions, from entry into the labour market until retirement.

Such an approach is not an individualistic one: solidarity between salaried workers requires greater access of as many workers as possible to maintaining and developing their skills. Those least equipped to start with are not naturally those who tend to benefit from additional training during their working lives, and discrimination all too often

5. The skill-matching approach attempts to fit the post occupied by an individual with the training which this individual has received. Yet the relationship between training and employment is a flexible one: individual choices take account of labour market dysfunctions, experiencing them as restrictions, but also of the degree of flexibility that this market can offer, which acts as an opportunity.

affects women and migrants. Equal rights to training, in particular through access to public funding and under the responsibility of employers, still need to be asserted.

The obstacles to such an approach should not be underestimated: they relate to the complex nature of skills themselves. Skills can be individual, or collective, within the work organisation. Companies treat the skills available to them as private goods and strategic assets which they are unwilling to make available to competitors. State policies and social dialogue need to take account of these obstacles in order to set realistic objectives and to introduce the right incentives for companies and individuals. If skills are to be a 'public good', the following are required:

- the right balance between specific skills (exploitable at a given workplace) and transversal skills (exploitable in a whole range of jobs) within an individual mix of skills;
- the transferability of individual skills between companies, sectors, territories, enabling workers to expand their opportunities for mobility and enabling companies to benefit from skills acquired elsewhere.

2. Sector Councils on Employment and Skills

2.1 A tool complementing sectoral social dialogue?

Seen in the light of the issues raised above, the Commission's proposal to set up 'Sector Councils on Employment and Skills' at EU level touches on a sensitive point: the need for fora where social dialogue and public policies can interact in a constructive way to promote the individual and collective development of skills.

The feasibility report carried out by ECORYS for the Commission provides a comparative review of institutions and current practices in the EU countries (ECORYS, 2010). Based on this review, the authors make pragmatic recommendations concerning the setting up of these Sector Councils:

- the setting of realistic objectives and expectations;
- reliance on the voluntary participation of stakeholders;
- provision of temporary and conditional support by the Commission, on the basis of an agreement on objectives, a careful monitoring of progress and serious evaluation of results;
- initial priority to be given to the sharing of information between social partners;
- creating networks of national bodies with a view to forging communities of best practice.

This pragmatic approach has been confirmed by the Commission. In a working document dating from July 2010, looking at the functioning and potential of sectoral social dialogue, the Commission sets forth its point of view (CEC, 2010c). Calling for a new impetus to be given to this dialogue, it sees the Sector Councils for Employment and Skills as an instrument complementing it, open to other stakeholders besides the social partners. The Commission emphasises the autonomous desire of the social partners to launch and subsequently manage the Councils; it nevertheless sets forth its own vision of the Councils' missions, hoping that its ideas will spread among sectors.

2.2 Trade union points of view

The ETUC member federations have expressed common interest in the proposal for Sector Councils, with a wide range of subtle differences. There is still a widespread feeling among trade unionists that employers are often more reluctant than unions to move in this direction, particularly since employers prefer to manage skills at company level.

The trade union federations welcome the *New Skills for New Jobs* initiative, in the light of the challenges facing Europe. In this context, the Sector Councils could become interesting resource hubs for:

- developing operational forward studies, and better coordinating the quantitative and qualitative methods used in these studies;

- creating networks of national councils to enable exchanges of experience.

At present, levels of commitment to the process of setting up Sector Councils vary from one sector to the next. Work is already in progress in a number of sectors (the commerce sector; textiles, clothing and leather; metalworking etc.), but the process is still at an embryonic stage in many others. The situation is on-going. The same questions are being put by trade unionists in various sectors:

- What is the right sectoral scope to be covered by one Sector Council? Should the scope be wide, to encourage transferability of skills and individual employability? Or should it be limited, thereby fitting professional realities?
- How would these Councils relate to the Sectoral Social Dialogue Committees (SSDC)⁶? There is a consensus among trade unions that leadership of the Councils must be in the hands of the social partners. Questions still remain, however, as to how the Councils would relate practically to the SSDCs. Emphasis is given to the need to avoid bureaucratic overlapping and seek complementarity of tasks. Should the Councils be independent or should they be subordinated to the Committees, with the latter playing a steering role in setting the Councils' work programme and supervising their work? At present the set-up is not yet clear.
- What is the right level of involvement of civic and social players other than the social partners? There seems to be a certain consensus concerning the involvement of vocational training institutions, contributing expertise and activities in this crucial area. But we need to tread carefully with regard to the involvement of other players, with trade unionists frequently questioning the legitimacy of such involvement and the representativeness of these players.

6. To avoid being ambiguous and long-winded, this article will use the term 'Committees' or the acronym SSDC to refer to the existing committees for sectoral social dialogue, and the term 'Councils' to mean the future Sector Councils for employment and skills.

2.3 Mobilising know-how and practical experience

These institutional questions have a political dimension, and must be dealt with wisely if the Sector Councils are to get off to a good start. They have the potential to become a privileged forum for fully using the practical experience of social players. On the basis of this experience, trade unionists are putting forward a series of questions which should be dealt with openly:

- economic globalisation is resulting in a standardisation of skills on a global level. This in turn is making it easier for companies to relocate operations, and is contributing to the segmentation of value chains. Each business unit is skilled in its own area, but things can change. The availability of specific high-level skills is likely to be a factor influencing the geographic location of business operations. Individual creativity, as an innovation factor, is not easily replicated elsewhere; system-related skills, i.e. the ability to design not just basic products but whole systems consisting of goods and services responding to customer expectations, favour the concentration of operations in local clusters.
- The tension between the on-site development of workers' skills and the use of external resources (through outsourcing or relocating operations, or the recruitment of skilled non-EU workers) is to be seen in a range of business areas. Decisions between these different possibilities should be governed not solely by considerations of direct cost, but should consider training costs as an investment, making a fair assessment of progressive returns. The so-called sectoral approach to migration, establishing separate legal frameworks for different categories of migrants, and the *Blue Card* directive, adopted in May 2009, on conditions of entry and residence of highly skilled workers, facilitate a utilitarian recourse to selective immigration. Such an approach can discourage the introduction of training measures targeting the low-skilled, people who have long been living on European soil, including those with migration backgrounds.
- The combination of an ageing workforce and the restructuring of industrial processes raises the question of attracting new categories of manpower as a way of ensuring the long-term prospects of the

business activities involved. These include young people entering the labour market, women gaining easier access to certain activities, etc. Achieving the right work/life balance is a key factor in opening certain professions to women. Wages and working conditions, as well as the quality of work, are key factors in attracting manpower into sectors with the potential to create jobs.

- The skill mix required in any given work is influenced by organisational and institutional factors: in healthcare, by the role of the publicly financed sector; in social services by the professionalisation of social care; in the financial sector by the changes in regulation introduced since the crisis; in the retail trade and transport sector by the defining impact of 'business models'.

3. Learning outcomes, evolution or revolution?

3.1 An evolution taken on by the trade union movement

The idea of making better use of *learning outcomes*, highlighted in the expert group's report to the Commission, has been well-received by the trade unionists surveyed. The purpose is to give on-the-job development of vocational skills a greater role in the acquisition and validation of skills, as well as to focus attention on skills gained throughout a worker's professional career, rather than just on diplomas gained at the end of formal initial education. Even so, this approach raises a series of questions:

- its compatibility with a company's business model, which will determine how improved skill levels of employees are rewarded: better pay and/or better employability. These aspects do affect an employee's levels of motivation. Collective bargaining on these issues remains limited, but trade unionists from a range of sectors agree strongly on the need to make training a mandatory point for these negotiations;
- the nature and degree of responsibility to be shouldered by trade unions in the areas of training and skill assessment. Should they merely participate in the partnership, sectoral and transversal bodies promoting and regulating initial and continuing training, as

well as the identification and certification of skills? Should they become more closely involved in the negotiation of training programmes within companies and sectors? Should they go so far as to provide training services to employees?

The answers to these questions depend on the sensitivity of the trade unions to these issues. One of the tasks of the unions, however, is to be involved in the negotiation and monitoring of training, since the skills acquired and recognised help to form the working environment. This area must not be left to commercial operations selling training courses.

In a number of sectors, trade unions are working with partners to develop 'occupational profiles'. These profiles are for the use of private and public institutions acting as intermediaries, bringing together those offering jobs and job seekers in the labour market. When the work concerned requires mobility, it can call on the support of EU public instruments (the European Qualifications Framework, the European Credit Transfer System for Vocational Education and Training, etc.).

The European Qualifications Framework (EQF) is a sort of 'Esperanto', a common language, setting down useful principles for the recognition of qualifications. It works as a translation device which, via its eight-level scale of increasing qualifications, is intended to give a transparent picture of the equivalence of national qualifications systems. However, such translation is far from automatic. Any given EQF level is characterised by a combination of *knowledge*, *skills* and *competencies*. The situation is complicated by the fact that a person may have, for example, a higher level of knowledge and a lower level of skills or competencies.

The EQF is not yet an operational instrument determining practical equivalence or enabling workers to move around freely on the European labour market. It remains too distant from the terms used and representations made by national players. The European instruments are often perceived as useful reference frameworks, but as still too abstract or *top-down* for normal use.

In sectors of which mobility is a 'natural' part, frameworks for recognising and certifying skills are more easily included in social dialogue, although they are not easily dealt with. The transport sector provides a number of examples. Significant steps forward can be seen, such as the

compilation by the social partners of ‘professional passports’ in the areas of agriculture and tourism. Eurocadres, an organisation which has done a great deal of work on the mobility of managers and highly-qualified professionals, is suggesting that as well as the EQF, there should be a second stage, a ‘European grid for the recognition of professional qualifications’ based on a sectoral approach and a multi-stakeholder dialogue and including different types of learning – formal, non-formal and informal (Tratsaert and de Smedt, 2009).

3.2 Major implications for regulation of the labour market

The *learning outcomes* approach could contribute to a more balanced concept of ‘flexicurity’ on the labour market⁷:

- recognition of skills acquired on-the-job improves employability, thereby better equipping people for successful changes of job;
- it also gives the labour market greater ‘depth’: generic skills acquired at specific workplaces become available to other employers;
- imbalances between the supply and demand for skills are less rigid than when only taking account of formal school curricula and initial diplomas: a clearer picture is given of the skills actually available.

A labour market recognising the different forms of learning requires suitable rules and players committed to respecting them:

- transparent methodologies and the clear responsibility of accreditation bodies, in order to guarantee the effective equivalence of skills, whether acquired formally, non-formally or informally;
- cooperation between the social partners and public and private employment services with a view to promoting uniform qualifications frameworks for initial and continuing vocational training;

7. The topic of flexicurity is revisited by the European Commission in its communication *An Agenda for new skills and jobs: A European contribution towards full employment* (CEC, 2010d).

- receptiveness of educational and training systems to the idea of diplomas and certificates being worded in terms of vocational skills and competences; this should make it easier for young people to enter the labour market.

The Sector Councils could play a useful role in evaluating *learning outcomes*. They can offer a stable forum for analysing specific changes within occupations affected by economic, technological and environmental developments, balancing direct observations, statistics and forecasts. They will contribute to improving European programmes by taking account of real developments in specific occupations. They will make it possible to carry out a rigorous comparison of national systems for the acquisition and validation of skills, and thus to move towards mutual recognition. On the basis of this knowledge, issues of normative efficiency, such as responsibility for accreditation, professional passports and quality assurance criteria, can be addressed more easily.

3.3 From EQF to ESCO

Convergence, i.e. the process of referencing National Qualification Frameworks (NQF) to the EQF, is in progress. The expected completion date of 2012 was confirmed by the EU Council at its Employment and Social Policy meeting held in June 2010, which described the form this convergence was expected to take:

- encouraging a common trend towards comprehensive NQFs, covering all types and levels of qualification and defined in line with national traditions;
- implementing the *learning outcomes* approach;
- promoting integration between academic and vocational education by the use of consistent descriptors covering all levels of qualification, or through the introduction of parallel strands of qualifications for the highest EQF levels (6-8): one for academic qualifications, one for vocational qualifications.

The announcement of these orientations by the Employment Council gave rise to a number of reactions. The European Trade Union Committee on Education voiced concerns about the risks of a possible 'over-standardisation' of educational systems (ETUCE, 2010): educational policies cannot be solely geared towards the current and future state of the labour markets, which are, moreover, unpredictable. School, higher education and life-long learning are there to enable people to achieve their goals in life. They are not intended as a substitute for the social protection required to cushion against fluctuations in the labour market.

The practical limits of the EQF justify the ongoing development of the ESCO programme (*European Skills, Competencies and Occupations Taxonomy*) (CEC, 2010e). The objective of this programme is 'the development, at a European level, of the first ever multilingual dictionary linking skills and competencies to occupations', including several thousand descriptors. The aim is to improve practical interoperability between labour market players and those working in the field of education and training. Employers and employment services are expected to use ESCO 'to define a set of skills and competencies required when they are developing a job description'.

Implementation of the ESCO programme is moving swiftly ahead, with the launch phase, consisting of the introduction of a complex system of governance, expected to be completed by the end of 2010. It is important, however, not to be over-hasty: the Sector Councils could inject a useful bottom-up approach into the development of ESCO with a view to taking account of changes affecting the skills required in given occupations. The agenda should be adapted to the emergence and contribution of the Sector Councils. It is also important to avoid a detailed classification becoming too rigid, and thus soon rendered obsolete by changes in the various occupations.

3.4 National systems encouraged to change⁸

If national training and education systems are to take European frameworks and programmes into account, their internal consistency and dynamics are bound to be affected. Such systems are extremely diverse, and have no common understanding of the concept of skills and competences. Some systems, such as the British NVQ (*National Vocational Qualifications*) system, focus on 'skill granularity', defined as the ability to perform a range of elementary tasks associated with a given workplace. Others, such as the German or French systems, take a more integrated approach to skills, understanding them as the command of both theoretical and practical knowledge. In the Netherlands, there is a particular focus on the inclusion of civic and moral aspects. To ensure transparent correspondence between national qualification systems, it is not sufficient to have careful and pragmatic European reference frameworks. The conceptual differences between these systems are anchored in national customs and institutions.

The European schemes have an ambitious goal: to encourage the free movement of Europeans both within training systems and on the labour market, by 'decompartmentalising' general education and vocational training, and integrating initial and continuous training into a unified qualifications framework. Without losing sight of this ultimate goal, it might be more realistic to set a more modest intermediate goal: to use the European frameworks as a heuristic tool to reveal the differences and tensions existing between national approaches, in a spirit of mutual trust. The problems posed by the discrepancies between countries need to be resolved, without being artificially swept under the carpet.

The national qualifications frameworks are themselves often far from being perfectly homogeneous. They sometimes show a more or less pronounced internal pluralism or heterogeneity, covering principles and logical structures which differ from one trade to the next. The hierarchy of skills put forward by the EQF could potentially collide with

8. This study is based on a study by Philippe Méhaut and Christopher Winch, 'Le cadre européen des certifications: quelles stratégies nationales d'adaptation?' (Méhaut and Winch, 2010), which is part of a book entitled *European Skills and Qualifications: Towards a European Labour Market* (European Labour Market, Brockmann, M., Clarke, L. and Winch, C. (eds.) (2011), Routledge, London.

the classification systems now accepted and used at national level. A more explicit acknowledgement of *learning outcomes* in skill frameworks provides an incentive for education systems to ensure that the diplomas they issue are defined more in terms of the skills which they show to be present (the results or *outcomes*) than in the ways in which these have been obtained (the inputs). The EQF is not an indisputable reference-point, but, if used wisely, with the right critical distance, it can act as a lever for bringing about national developments involving the social partners.

4. Vocational training, life-long learning: work in progress

4.1 An already substantial EU acquis

The promotion of *life-long learning* is a longstanding European ambition dating back to the 1970s. In the course of the 1990s, thanks to the momentum given by the Commission under its then President, Jacques Delors, a series of programmes (Erasmus, Comenius, Leonardo da Vinci) and processes (Bologna, Copenhagen) were launched with a view to promoting life-long learning and encouraging individual mobility.

In the 2000s, the Lisbon Strategy included training as an essential field, subject to the Open Method of Coordination. Guidelines were set out and strategic objectives listed: quality and effectiveness of education and training systems, access to education and training for all, an opening up to the world. Detailed objectives and indicators were drawn up to benchmark and influence national practices.

In June 2010, a communication from the Commission set out the key issues in education and vocational training (CEC, 2010f). Though not truly innovative, it gives an up-to-date list of EU objectives and instruments. It reaffirms a number of objectives and principles for action supported by European trade unionists, who are calling for a proper right to training, accessible to all citizens and workers (ETUC, 2009). The communication contains a number of key ideas:

- Equipping people with the right mix of skills and enabling them to update these, through initial vocational education and training (IVET), and continuing vocational education and training (CVET), while attempting to strike a balance between key competences (the basis for life-long learning) and professional capabilities, and between standardised skills and individual creative skills.
- Encouraging systems favouring life-long learning, by facilitating easy access to CVET; providing people with guidance services; enabling individual learning paths; ensuring transparent and consistent recognition of *learning outcomes*.
- Modernising vocational education and training systems (VET), by developing national qualifications systems and bringing them closer together by referencing them to the EQF, thereby encouraging permeability between VET and higher education, and removing barriers thanks to the transparent certification of *learning outcomes*; using cross-border mobility as a way of upskilling, via the system for transferring VET credits (ECVET); by promoting a culture of quality, by means of a quality assurance policy based on a European reference framework (EQAVET); using Sector Councils as a tool for mobilising social partners with a view to comparing practices (organisation, delivery and funding of VET).

4.2 Achievements falling short of ambitions

The constant promotion by the EU of its life-long learning goals emphasises even more the distance between these ambitions and the real situation, which is far less positive. The resources devoted to this ambitious goal, and the results obtained, are too limited to satisfy individual and collective needs for training in the EU-27. There is too little real access to life-long learning overall, and this access is too unevenly spread between countries and individuals.

A number of salient features emerge from European statistical sources, in particular the *Continuing Vocational Training Survey* (CVTS) and the *Adult Education Survey*.

- The intensity of training efforts within companies varies greatly from country to country and company to company, with the size of the latter being a key factor. Workers may be disadvantaged on two fronts: access of workers in SMEs to training is even more difficult if they live in countries where companies do little in this area. SME workers may be completely excluded from access to training. Central and Eastern European countries are at a particular disadvantage: training is still often seen as a secondary issue by the social stakeholders, despite the support provided by Community funds. A comparison of adult participation in formal CVET confirms the scale of inequalities between countries.
- A comparison of the 1999 and 2005 CVTS surveys points to certain progress made towards convergence of training practices in European companies. If we extrapolate the current trend, however, for compared levels of qualification of the working population, it seems unlikely that the less advanced countries will catch up with those furthest ahead. If we rely on CEDEFOP forecasts of the supply of skills in 2020, the expected increase in the proportion of people with high levels of qualification (ISCED levels 5 and 6) is no greater in countries currently lagging behind. This failure to catch up does not affect only the more recent Member States, but also Italy and Portugal.

4.3 The hesitant search for the right incentives

This rather lacklustre picture calls for progress on three fronts: training incentives; increasing the resources available for vocational training; and improving the effectiveness of training programmes. The expert group mandated by the Commission to make proposals for an action programme to give substance to the *New Skills for New Jobs* initiative considers that the improvement and strengthening of training incentives is one of the four priority lines of action:

- Incentives targeting individuals must provide extra motivation to develop skills: better recognition of acquired skills in terms of pay and employability. The quality of guidance and advisory services can also act as a motivating factor. The combination of motivation, incentives and services offered must speak to individuals, enabling

them to plan their future. On this basis, training co-investment schemes can be set up, giving shared responsibility to individuals, companies and employment services (*learning accounts, learning vouchers*);

- Incentives targeting companies depend on peer pressure to spread best practices. When increased investment in training acts as a competitive advantage, this acts as a powerful motivation. Such benefits are not automatic: investment in training will contribute to competitiveness where the company is able to foster a form of work organisation which is more focused on leveraging skills than on narrowly matching skills to workstations. Where work is organised in this way, financial incentives (incentives targeting certain categories, such as low-skilled or older workers; tax provisions allowing training investments to be included in depreciation) will be more effective;
- Improved incentives could also be offered to private and public VET players. This requires assessment systems which favour the most effective organisations.

The debates and reforms underway in a number of countries show how difficult it is to find the right mix of incentives. The wide range of national modes of organisation, moreover, does not make it easier to come up with common guidelines.

4.4 Persistent structural differences between national systems

In simple terms, it is possible to identify several groups of countries, using two criteria (Lefresne, 2007):

- the relationship between initial vocational education and training (IVET) and continuing vocational education and training (CVET): integration or separation;
- the nature of regulations governing CVET: centralised, decentralised or weak.

A system which integrates CVET into IVET (as is the case in the Nordic countries) is probably at an advantage when it comes to promoting life-long learning, as there is a uniform framework for recognising and certifying skills. In continental Europe and the Mediterranean countries, IVET and CVET tend to be separate, with CVET subject to contractual provisions, with a greater or lesser degree of centralisation. The gradual emergence of an individual right of workers to training and the introduction of an operational qualifications framework enhancing the transferability of individual skills are important issues in collective bargaining in these countries. Where CVET regulation is weak, as in the United Kingdom, the level of training depends largely on efforts made by individual companies. Finally, there are serious shortcomings in the availability of vocational training and in social dialogue on training in many countries of Central and Eastern Europe.

This simple classification is sufficient to illustrate the variety of situations within Europe, without being exhaustive. A more thorough comparison of national vocational training systems would involve a study of industrial relations and public policies in each country. The researcher Éric Verdier suggests a classification of 'education and training systems' which combines political principles, stakeholder strategies, modes of governance, regulations and instruments used (Verdier, 2009). Taking account of the 'principle of justice', a key criterion underpinning these systems, Éric Verdier distinguishes between the following possibilities:

- decommodified regimes: corporatist (basic principle: access to a professional community); academic (school-based merit system); universal (compensation of initial inequalities);
- market regimes: pure competition market (usefulness of services provided for individual human capital); organised market (fair price and quality of services developing skills as social capital).

National systems are the result of specific compromises, now enshrined in national customs, between these types of regime. The current European approach could be understood as an attempt to move towards a new combination of systems: corporatist, since the Councils are sectoral in nature; universal, since there is a clearly-stated concern to provide fair opportunities and transitions for all; an organised market,

since there are plans to provide a framework for European providers of training. Acceptance of this European regime could, subject to the principle of subsidiarity, help to correct any national shortcomings and to spread best practices.

4.5 Sector Councils and vocational training

If VET is to be a key issue for the Sector Councils, made up of national stakeholders and bodies, these Councils will have to take account of the structural differences between countries, in order to understand them better and assess their implications.

The survey of social partners carried out by ECORYS in the context of the report on the feasibility of Sector Councils led the authors to the logical conclusion that these Councils should place an emphasis on issues relevant to both employers and employees. A large majority of respondents (72%) were in favour of a dual focus for the Councils: initial vocational education and training (IVET) and continuing vocational training (CVET). Even so, there was one significant difference: employers were primarily interested in the responsiveness of IVET to their demands for skills; while trade unions were concerned first and foremost with promoting CVET, considered as a form of protection for workers and companies.

The relationship between IVET and CVET should therefore legitimately be a core topic for the Sector Councils, with a focus on the following points:

- striking a right balance between trade union and employer priorities, thereby actively involving both group;
- establishing relationships of trust between the worlds of education, training and business, seeking to identify and support future occupations, at all skill levels. Nothing would be worse than a low-end balance between a mediocre training system producing generalists lacking occupational skills and companies clamouring for labour from an atrophied production system;

- defining an institutional framework to provide guidance to training providers, making effective use of available private and public funds. This is particularly important since there are already service-providers attempting to organise the entire ‘value-chain’ of training, certification and mobility.

The system of vocational training, whether initial or continuing, needs to combine an awareness of signals from the labour market with the foresight to perceive shifts in society. Research and development clusters linked to universities thus have a role to play in identifying and developing promising future core occupations, at all skill levels.

Conclusions

European societies are actively engaged in seeking a balance between two needs which are difficult to reconcile:

- the priority which must be given to improving basic training and enhancing the skills of workers of all ages. The extent to which this need is met will determine both the employability of low to medium-skilled workers and Europe’s role in innovative fields, particularly in industry;
- investment in training of extremely high quality, attractive to potentially talented individuals, in order to ensure the availability of creative skills in high-tech fields and to strengthen Europe’s position at the cutting edge of knowledge and technology.

Europe’s ability to play an active role in the new competitive and environmental context of the global economy will depend on whether it can strike this balance, working towards an inclusive labour market with reduced levels of wasteful and demotivating precarious employment. The world of work is currently increasingly subject to the forces of dispersion and fragmentation. We must maintain cohesion, not only social cohesion. Our ability to do so will also determine the effectiveness and sustainability of economic development, which can not rely, in the long term, on too small an elite, seizing too great a share of the benefits of an unequal form of growth.

In this context, the Sector Councils for employment and skills can be a useful forum for the interaction of social dialogue and public policies. In a field where responsibility is still exercised predominantly at national level, one of their tasks is to create networks of national and regional players, with a view to creating a community sharing best practices and experience. Leadership of the Councils should be in the hands of social partners, so that these Councils can become an instrument complementing the Sectoral Social Dialogue Committees. With this leadership in place, the Councils can be opened up to other players, particularly to training organisations. The Councils could foster and coordinate forecasting-work with an operational focus, relating directly to the practical experience of the parties involved. Studies targeting occupations undergoing radical changes would be particularly useful, in order to create relevant training programmes.

Trade unionists welcome the plans to take account of *learning outcomes*, i.e. results of on-the-job learning throughout working careers, when recognising and validating skills. If this development is to become more widespread, there must be a change in the business models used by companies, to ensure that recognition of skills is rewarded in terms of pay or employability. The trade unions too would need to take on greater responsibility, to ensure that skills and training become a mandatory issue for collective bargaining.

The *learning outcomes* approach should lead to a more balanced notion of flexicurity. By improving recognised employability, it should better equip people for job changes; by extending recognised skills beyond those attested by initial educational or training diplomas. This approach should give employers a clearer view of the skills on offer; by encouraging education systems to better describe the skills associated with the diplomas delivered, it should enable young graduates to find jobs more easily.

For labour markets to function properly, working with *learning outcomes*, suitable regulation is needed: uniform frameworks, transparent methods, accreditation bodies responsible for the certification of skills. Although European programmes, such as the European Qualifications Framework and the detailed taxonomy of skills and occupations currently being compiled, take this approach, their practical acceptance and use by stakeholders is weak and difficult. The

operational studies carried out by the Sector Councils on specific occupations would help develop these tools by making use of practical experience.

The long-proclaimed European goal of life-long learning contrasts sharply with the poor level of what has been achieved. Access to CVET remains low overall, and is unevenly spread from country to country and group to group. To date, there seems to be no real sign of the less advanced countries being able to catch up. It is still difficult to strike a proper balance between advisory and guidance services offered to individuals, financial incentives to companies, and changes in work organisation allowing for a better use of skills.

Far-reaching differences between European countries in the design, organisation and regulation of national VET systems make it difficult to set down common guidelines, yet these differences can not be artificially quashed. By organising networks, as one of their core tasks, the work of the Councils should provide a better understanding of these differences, and allow for an assessment of their implications. In this way, the Councils could contribute to the promotion and dissemination of positive experiences, with a special focus on the consistency of IVET and CVET. Another of their tasks is to clarify the institutional framework guiding the activities of training service providers already operating at European level.

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