

## **CEEP opinion on the Communication from the Commission “New skills for new jobs”**

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CEEP welcomes with great interest the Commission’s communication “new skills for new jobs”.

Anticipation of labour market evolution, development of constantly adapting training schemes, reinforcement of information and reorientation initiatives towards employees are not new objectives: they are already largely pursued by Member States and they involve many economic and social stakeholders. But having a global European perspective on skills needs on short, medium and long term is a precious input for the future.

The internal market completion, in the context of globalisation, stresses the importance of an integrated and shared knowledge on the evolution of skills needs in Europe. The economic crisis reminds us suddenly the need for a strong reactivity of skills schemes. In general terms, complex and rapid changes have pushed towards an in-depth observation of the labour market and its evolution. A European initiative is therefore absolutely necessary, as long as it is not in contradiction with the Member States’ responsibilities in education and employment matters.

CEEP shares the Commission’s analysis on the economic and social stakes in skills adaptation and development policies. A better match between jobs and skills helps improving the European Union’s productivity and competitiveness, while reducing the direct and indirect costs of structural gaps and accelerates the European economy towards strong added value activities. It also responds to the need for developing social inclusion as well as creating a feeling of security in a rapidly and continuously changing world.

The CEDEFOP’s study brings some light on the employment evolution up to 2020. CEEP notes particularly:

- About employment : a strong increase of employment in services, which will lead to a development of both highly qualified activities and low qualified activities; serious impacts of the low-carbon economy move on skills needs in the agriculture and industry sector; in general terms, rapid and strong changes in skills needs pushing the educational systems to adapt in consequence

- About available resources: the CEDEFOP's study gives only a brief and non documented overview by stressing a tendency towards high levels of formal education that do not prevent from social exclusion

CEEP wishes to give its comments about the evolutions addressed in the communication (1) and the means to face them (2) by referring to the Commission's proposals (3)

## **1. Employment and skills evolution in Europe**

CEEP, as an organisation representing employers in charge of SGIs, takes a particular interest in the CEDEFOP's study, as it addresses several of these services (social services, transport, telecommunications, education, public administration, etc...) and stresses the growing contribution of services to economic and employment growth.

### Adapting the educational system in order to better match the employers' needs

The growing place of the services sector in the global economy is a real challenge for Europe. The educational systems will need to provide new skills for very different and evolving sectors of the economy. The Lisbon strategies in favour of a "knowledge based economy" and the search for a qualitative positioning of Europe in the globalised economy have led to putting the stress on high skills needs. These needs must be satisfied, particularly through a stronger cooperation between universities or research centres and companies and employers. But CEDEFOP also reveals that low qualified jobs will be needed in the future, particularly in the food service industry, the hotel industry and services to people.

In these sectors, we observe some deficiencies in the ability of the education and vocational training systems to match these needs. In many sectors, the companies specialised in providing services play a major role in social integration and professional training, by welcoming low qualified employees and by developing their own training schemes and methods. These initiatives deserve some recognition and encouragement. They will be all the more recognised and encouraged if the educational and training institutions and the public authorities will support them, by continuously adapting to the labour market evolution. The main goal is to improve the reactivity and flexibility of the educational system, but also to raise awareness among students and employees of new opportunities in the market.

In this latter aspect, vocational counselling plays a major role in informing students and job seekers about market needs, thus contributing to a better match between skills and jobs.

### Profiting from higher education

The overall education rates increase is another important challenge. The CEDEFOP's study reveals that having a high level of formal education does not guarantee access to a qualified professional activity. On the contrary, according to what has been observed, the gap between the level of formal education and the professional qualification is growing. This gap

might create some tension if it is perceived as degrading and could lead to professional demotivation.

CEEP considers that this gap can on the contrary be an opportunity to enrich working organisations, by developing responsibility and initiative spirit within employees, no matter the technical qualification required.

A higher level of education should then lead the working organisations to better respond to the skills needs in a service economy. The Commission's communication is conscious of this, when it stresses the need for developing transversal and informal skills.

## **2. Measures for a better skills match**

A better match between jobs and skills is based on a set of successive and related measures such as:

- Anticipating and understanding the evolution of each economic activity
- Anticipating skills needs in each sector of the economy
- Adapting the educational and professional qualification offer
- Counselling students and employees taking into account the evolution of skills needs
- Achieving actions towards acquiring, adapting and developing skills
- Favouring mobility towards job positions whose offer is not met by demand

All these actions need to be effective in order to reduce the gap between skills and employment needs. In order for all stakeholders to be stimulated, these actions need to be properly coordinated at local, regional, national and European level.

### Developing cooperation between actors at different levels

Any initiative favouring cooperation and dialogue between the relevant stakeholders (research organisations, universities, training and professional counselling institutions, administrations, companies...) are welcome. Cooperation is particularly necessary at local level, as it is where the closest match can be pursued between employment needs and counselling and training actions.

CEEP asks for a decentralisation of the education and professional training systems within the Member States, so as to better adapt training offer to the needs of the employers. CEEP supports, as it has always done, the development of apprenticeship and "learning on the job" actions in diverse forms in Europe, encouraged by adapted tax measures.

At the European level, a sector by sector approach might be more interesting. Therefore, CEEP welcomes and supports with great interest the Commission's proposal of studying together with the relevant social partners the creation of sectoral councils in employment and knowledge matters. Moreover, CEEP calls on the European Commission to concretely

cooperate with the cross-sectoral and sectoral social partners when promoting actions in this field.

### Favouring a continuous skills adaptation within the companies

Beyond public policies, employers must also seek ways of better matching skills and jobs, as they play a major role in developing internal and external employability of their employees.

Some major companies have thus developed useful process such as employment and skills forecasting schemes. This kind of tool encourages social dialogue within the companies and raises awareness of the challenges for employment. It also gives employees some reference as to their possibilities of job evolution, giving them motivation for further mobility or new professional projects, which is particularly interesting in times of crisis.

CEEP supports the Commission's initiative to promote forecasting practices at company level. CEEP suggests that best practices in employment and skills forecasting schemes are shared at the annual conference "partnership for skills and employment" announced by the Commission

### **3. Next steps**

CEEP supports the different initiatives launched by the Commission, from information exchange on short term evolution of skills and employment, to the reinforcement of anticipation tools at medium and long term and international cooperation.

CEEP stresses the need to complete the CEDEFOP's study with a similar analysis on the available skills today and their evolution. CEEP welcomes CEDEFOP's initiative to produce its own forecast on the supply side, to ensure a better comparability. CEEP suggests that this study takes into account the current economic situation.

CEEP welcomes the idea of an experts' group, to which it will be glad to participate. This group's work should be integrated within committees such as DGVT/ACVT.

CEEP is in favour of a coherent approach between the "New skills for new jobs" initiative and the existing programs and European tools, referred to on the third part of the Commission's communication.