Agenda for new skills and jobs

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PURPOSE: the presentation of a strategy for new skills and jobs: a European contribution towards full employment.

BACKGROUND: the European Union has agreed on an ambitious employment rate target for women and men of 75% for the 20-64 years age group by 2020. Achieving this objective will not be an easy task. The crisis has brought the employment rate down to 69%, and the unemployment rate up to 10%; assuming the labour market stabilises in 2010-2011, achieving an employment rate of 75% by 2020 will require an average employment growth slightly above 1% per annum. In addition, the EU finds itself in a situation of budgetary constraints and unprecedented global competitive pressure.

The Commission, however, considers that the EU can meet these challenges and raise employment rates substantially, **with resolute action focussing on four key priorities**:

1. **better functioning labour markets:** in this regard, flexicurity policies are the best instrument to modernise labour markets;
2. **a more skilled workforce:** this will require considerable investment in education and training systems to better match supply and demand in qualifications and skills;
3. **better job quality and working conditions** to address the demands of today's careers which are characterised by more transitions between more intense and demanding jobs and by new forms of work organisation;
4. **stronger policies to promote job creation and demand for labour**: the right conditions to create more jobs must be put in place, including in companies operating with high skills and R&D intensive business models. Selective reductions of non-wage labour costs, or well-targeted employment subsidies, can be an incentive for employers to recruit the long-term unemployed and other workers drifting from the labour market. Policies to exploit key sources of job creation and to promote entrepreneurship and self-employment are also essential to increase employment rates.

This strategy seeks to translate these priorities into key actions to be implemented.

CONTENT: **this 'Agenda for new skills and jobs' flagship initiative sets out, in 13 key actions with accompanying and preparatory measures,** the possible EU contribution to this joint effort as part of the Europe 2020 strategy. In addition to the Member States, it will concern the countries involved in the EU enlargement process and within the European Neighbourhood Policy.

The priorities of the strategy are as follows:

1) Towards a new momentum for flexicurity - reducing segmentation and supporting transitions: the four components of flexicurity (flexible and reliable contractual arrangements, comprehensive life-long learning, active labour market policies and modern social security systems) need to be strengthened to ensure that States focus on the most effective reforms. To consolidate the reform and modernisation of the labour market, the Commission proposes the following actions in partnership with the social partners.

Flexicurity – Key actions 1 to 3:

1. on the basis of the common principles of flexicurity adopted by the EU, the priorities proposed in this initiative on flexicurity could be debated in early 2011. The consensus on flexicurity should be consolidated in a Communication on a new momentum for Flexicurity in the first half of 2012;

2. the Commission will present in 2011 a Communication on the implementation of lifelong learning strategies and competence development; a European policy handbook setting out a framework for lifelong learning implementation; and a renewed action plan for adult learning;

3. to enhance the social partners' participation and ownership of the New Skills and Jobs Agenda at EU level, the Commission proposes to hold as of 2011 **a Tripartite Social Forum.**

Accompanying and preparatory measures: to complement these Key Actions, the Commission will:

• introduce, as of 2011, a comprehensive methodology to monitor Member States' progress in implementing the principles of flexicurity;

• establish, by the end of 2011, a partnership between employment services from the public, private and third sectors to encourage an EU-level strategic dialogue to make transitions pay. The partnership will also provide small-scale funding for best-practice projects; a new web tool will disseminate the evaluated and tested good practices;

• launch in 2011 a consultation of European social partners on a European framework for restructuring.

2) Equipping people with the right skills for employment: the impact of the crisis and the persistent high level of unemployment have increased the need to better understand where future skills shortages are likely to be. Irrespective of age, gender, socio-economic background, ethnicity or disability, all EU citizens should have the opportunity to acquire and develop the mix of knowledge, skills and aptitudes they need to succeed in the labour market. To this end, education and training systems must deliver the right mix of skills, including digital and transversal key competences, media literacy, and communication in a foreign language. The following actions are therefore foreseen:

Skills upgrading and matching - Key Actions 4 to 8:

4. as of 2012, produce an EU skills Panorama to improve transparency for jobseekers, workers, companies and/or public institutions. The Panorama will provide: i) up-to-date information on the top 25 growth occupations in the EU, and on the top five 'in demand' occupations per Member State; ii) an analysis of skills requirements based on the European Vacancy Monitor; iii) an analysis of skills mismatches and use of skills in the workplace; iv) foresight analysis at sector level; and v) CEDEFOPand Member States' projections. Where relevant, the Panorama will report on skills needs in particularly important areas such as science, technology, engineering and mathematics;

5. by 2012, complete in all European languages the European Skills, Competences and Occupations classification (ESCO), as a shared interface between the worlds of employment, education and training.

6. in 2012, consider the possibility of presenting proposals to help reform the systems for the recognition of professional qualifications,on the basis of the evaluation of the Professional Qualification Directive;

7. In 2011, l**aunch a New Agenda for Integration of third country nationals**;

8. In 2012, consider the possibility of presenting proposals to help improve the enforcement of rights of EU migrant workers in relation to the principle of free movement of workers.

Accompanying and preparatory measures: with the Member States, the Commission also plans to:

- by 2011, propose a **new benchmark on education for employability**, propose a Council Recommendation on **reducing early school leaving** and set up a High Level Expert Group on improving literacy among young people and adults;
- by the end of 2010, launch an awareness campaign on how citizens can benefit from EU social security coordination rules to move within Europe,without losing their rights;
- assess future skills needs in micro and craft (-type) enterprises to better mainstream the needs of these enterprises in existing EU policy initiatives;
- as of 2011, support competences for sustainable development and draw up the new Eco-Innovation Action Plan;
- as of 2011, support 'knowledge alliances', i.e. ventures bringing together business and education/ training institutions to develop new curricula; EU Industrial PhDs in the framework of Marie Curie actions and the Erasmus placement in companies will also be developed;
- in 2011, propose a Council Recommendation on the identification, recording and validation of competencesgained outside of formal education and training;
- in 2011, present an analysis of the contribution of migration policies to labour market and skills matching in line with the Stockholm programme;
- by 2012, reform the European Employment Services EURES and its legal basis, to develop its capacity and to expand it to support Your First EURES Job;
- by 2012, propose an EU-wide approach and instruments to support Member States in the integration of ICT competences and digital literacy (e-skills) into core lifelong learning policies;
- by 2012, present a Communication on the European policy for multilingualism, proposing priorities in the education and training systems, and a European language benchmark based on results of the **European Survey on Language Competence**;
- by 2012, develop in cooperation with Member States an action plan to address the gap in the supply of health workers;
- by 2012, map out and promote European **centres of excellence within new academic specialisations** for tomorrow's job. The Commission will analyse the best way to support mobility of students (European and international) towards these centres of excellence.

3) Improving the quality of work and working conditions: over the last decade, there has been good and bad news on job quality across Europe. Job satisfaction has increased overall; accidents at work, including fatal accidents, have decreased although, at least for a minority of people, work has become more intense and stressful. Improving job quality will require an integrated policy response at EU level as well as action by Member States with the following actions:

Quality of work and working conditions - Key Actions 9 to 12:

9. in 2011, review **the Working Time Directive**, and make a legislative proposal aiming at improving the implementation of the **posting of workers directive**. Wherever appropriate, the Commission will initiate action to amend, clarify or simplify existing employment-related legislation;

10. in 2011, undertake the final evaluation of the EU Strategy 2007-2012 on Health and Safety at Work, and on this basis propose in 2012 a follow-up Strategy for the period 2013-2020;

11. in 2012, review the effectiveness of EU legislation in the area of information and consultation of workers, as well as EU directives on part-time work and fixed-term contracts and their impact on female participation in employment;

12. by 2014, conduct **a comprehensive review of health and safety legislation** in partnership with Member States and the European social partners.

Accompanying and preparatory measures:

The Commission, in cooperation with Member States and social partners, will:

- in 2011, examine the feasibility of an initiative to reinforce cooperation among labour inspectorates and other enforcement bodies, with the aim of preventing and fighting undeclared work;
- in 2011, review and streamline the policy concept of quality of work, in cooperation with Member States and social partners;
- in 2012 examine the impact of employment-relevant non-discrimination directives, namely 2000/78 /ECand 2000/43/EC.

4) Supporting job creation: stimulating growth may not be sufficient to create more and better jobs: the business environment needs to be job-friendly. Policies designed to promote job creation must take into account the important contribution of small and medium-sized enterprises (SMEs).

Supporting job creation - Key Action 13:

13. in 2011, the Commission will propose **guiding principles to promote enabling conditions for job creation.** These will include ways to: i) address administrative and legal obstacles to hiring and firing, to creating new businesses and to self-employment; ii) reduce non-wage labour costs; iii) move from informal or undeclared work to regular employment.

Accompanying and preparatory measures:

The Commission, within the Small Business Act, will:

- by the end of 2010, launch a proposal to extend and transform the Preparatory Action Erasmus for Young Entrepreneurs (EYE) into a permanent programme;
- support specific teacher-training programmes as well as the exchange of best practice to develop teachers' training in entrepreneurship,and launch a policy handbook on entrepreneurship education in order to enhance the spread, impact and quality of entrepreneurship education in Europe.

Financial instruments to underpin the strategy: in light of the current fiscal constraints on national budgets, Member States and the Commission must focus on making better use of EU funds. Cohesion policy contributes already to the development of new skills and to job creation, including in the expanding area of the green economy. More can be done to fully exploit the potential of the EU financial instruments and regulations that support reforms in the fields of employment, education and training: this means the European Social Fund (ESF) in the first place, but also the European Regional Development Fund (ERDF), the Rural Development Fund (EARDF), the Lifelong Learning Programme and Progress. The **7**th Framework Programme for research, technological development and demonstration activities can also contribute, as well as certain Funds relating to migration policy.

Follow-up: the Commission will revise the Agenda's priorities **in 2014,** and adapt them to the new Multiannual Financial Framework. In the meantime, it will report on progress in the Annual Growth Surveys within the Europe 2020 strategy.