Creating a competitive EU labour market for the 21st century: matching skills and qualifications with demand and job opportunities, as a way to recover from the crisis

2014/2235(INI) - 10/09/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 310 votes to 232 with 13 abstentions, a resolution on creating a competitive EU labour market for the 21st century: matching skills and qualifications with demand and job opportunities, as a way to recover from the crisis.

A motion for a replacement resolution tabled the Greens/EFA and S&D groups was rejected in plenary by 216 votes to 360 with 19 abstentions.

Situation and challenges: in the wake of the European economic and financial crisis and the consequent economic slowdown, a number of Member States are struggling with **high unemployment levels** (EU 28: 9.8 %, 26% in Greece, 23% in Spain)) **as well as public debt**, low growth and **insufficient investment**. In many Member States youth unemployment rates (EU 28: 20.9 %) are much higher and cases of improvement and lower rates are rare. According to the Commission, up to 12.4 million people have been out of work for more than a year and, of those, 6 million for more than two years.

Several important challenges are affecting Europe's labour market, including globalisation, ageing society, rapid technological changes such as digitisation and robotisation, mismatches between skills and jobs and increasing demand for highly skilled workers, with a surplus supply of low-skilled workers, causing wage polarisation.

To respond to this situation, Parliament considered that **ambitious economic and social policies and labour market reforms** are needed in order to boost smart, sustainable and inclusive growth and create more jobs leading towards quality and sustainable employment. It insisted on the need for **sustainable social welfare systems** which include upgrading the skills of the unemployed, fostering the employability of people lacking or having really low qualifications.

Fostering a competitive EU labour market: Parliament called for ambitious reforms to increase inclusiveness, smart flexibility, innovation and mobility, strengthen the role of social dialogue, and stimulate the creation of more jobs leading towards quality and sustainable employment.

The resolution stressed the need for continued efforts **to bring education, training and labour markets together**, and underlined the importance of making employment law more comprehensible for workers and employers, of eliminating barriers to employment and of promoting legal security for companies and employees. It also stressed the importance of the European Skills, Competences, Qualifications and Occupations (ESCO) initiative.

Recalling that **professional mobility** is a fundamental factor, Parliament highlighted the importance of EU initiatives aimed at stimulating mobility and creating opportunities, such as ERASMUS+, the European Qualifications Framework, the Europass CV, the European Skills Passport, and the European Job Mobility Portal (EURES), which should be made an essential tool in the EU job market.

Members stressed:

- the need to unlock the **great economic potential of women** in Europe and to create the appropriate conditions for women to progress in their career and pursue higher positions in companies or start their own businesses;
- the importance of **active labour policies, lifelong learning** and improving people's ability to adapt to technological change. Education and training investment is necessary to assist the youth of today.

Anticipation of future skills needs: Members considered that, in order to anticipate future skills needs, labour market stakeholders, including employers' and employees' organisations, and education and training providers must be strongly involved at all levels, in particular in designing, implementing and evaluating vocational qualification programmes. They called for:

- **a better understanding of present and future skills needs**, and for the enhancement of the existing EU Skills Panorama, in order to better identify skills gaps and deficits in specific sectors, occupations and regions;
- **more integrated partnerships** and trust between schools, higher education establishments, businesses and other relevant authorities with a view to estimating labour needs for the future.

Continuous education and training for all labour market actors: Parliament stressed the need to strive for a **more flexible and individual approach to career development** and lifelong education and training across one's personal career path. It recognised the importance of fostering **work-based learning apprenticeships** as an alternative route to employment. It suggested that **training and requalification programmes** for the unemployed, especially for the long-term unemployed, as well as skills assessment programmes, should be offered to people to enhance their chances on the labour market.

Members underlined the need to:

- give tailor-made guidance and counselling to jobseekers on how to look for a job or on which further education and training to undertake in order to ensure that their skills and competences are transferable,
- increase the **adaptability of the workforce** as a way to counter future shortages; calls on the Member States to use the structural funds, especially the European Social Fund, for this purpose;

- ensure measures **targeting the long-term unemployed** respect take-up options and that training is affordable and decent and address their actual needs
- use the **Youth Guarantee** as a tool to assist young people in the school-to-work transition;
- ensure equal opportunities, and access to education and training, particularly for disadvantaged groups.

The resolution also advocated:

- **strengthening connections between education and employment** by better targeting measures aimed at reducing the rate of early school leaving (ESL) to below 10% by 2020, as agreed in the Europe 2020 strategy. Dual vocational training through apprenticeships and similar work-based learning systems should be given more consideration as this tends to favour integration into the labour market and a smoother transition from education to work; better synergies between education systems and the labour market
- **exchanging best practices** between Member States, and regional and local authorities, as well as to compare and measure their effectiveness, in particular in relation to dual and vocational education and apprenticeship and traineeship systems;
- **nurturing the entrepreneurial spirit from an early age**. There is a call for support and incentive measures for start-ups, SMEs, microenterprises and social economy actors. Member States should reduce the tax burden on labour
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- **developing new skills and new jobs**, particularly in the context of the digital expansion, building the energy union, creating jobs through investing in research and development and innovation.

Parliament called on the Member States to introduce a **minimum wage** with a view to addressing pay inequalities using a base level for each Member State to ensure a decent income via legal means or by way of an agreement, in line with national practice. It also petitioned the Commission to develop a **European platform** for recognition and validation of skills common to specific activities and professions, which incorporates the recognition of skills acquired through volunteer work.