Anticipating skills for European recovery

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Current challenges
related to skills

- Financial crisis ⇨ economic downturn
  - structural change (mostly affected sectors)
  - unemployment
  - migration
- Demographic developments
- Climate change
- Technological & organisational change

⇨ **opportunities to change and prepare**

Some figures to consider...

Number of low-skilled in EU-27 by age group

- **78 millions low-skilled** in Europe (in 2007)

- **4 million vacancies not filled** in 2008 due to skill mismatch (although 18 million unemployed)

- „**greening**" **can create employment** (e.g. using wind energy in the UK could generate 43.000 new green jobs)
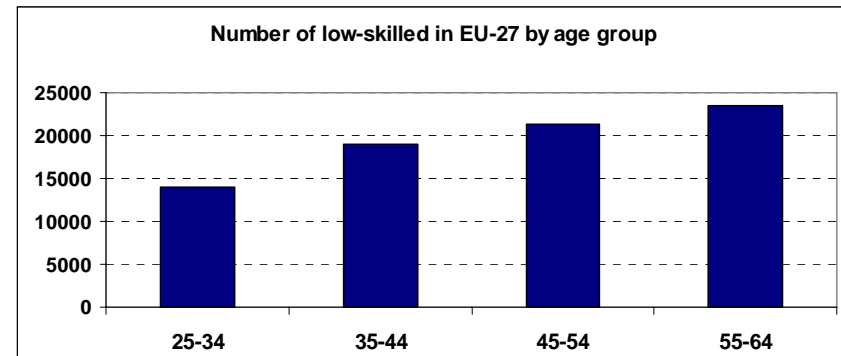
Driving economic recovery through skills

⇨ **No action makes recovery slow**

- Continue skill up-grading
- Focus on new jobs and skills related to low-carbon economy
- Focus on training and retraining during unemployment
- Prepare for better future

⇨ **which skills, which jobs, what training?**

We need better information!

- More precise knowledge is needed to match skills supply with the demand in a fast changing environment

- A number of methods, approaches and tools already in use

- No ideal instrument exists – use of holistic approach

Approaches in building systems on anticipation of skill needs

Some remarks on the typology:
- every country applies a number of approaches and therefore each national system bares features of several types
- systems in constant change, the typology depicts the current situation
- the typology is by no means ranking - every system has its internal logic which corresponds to the system context

4 main types:
- *decentralised system* (e.g. DK, GR, ES, LV, LT, HU, PT, SI, SK);
- *coordinated non-holistic system* (IE, CY, FI);
- *building a coordinated holistic system* (CZ, EE, IT, PL);
- *coordinated holistic system* (DE, FR, NE, AU, SE, UK).

Many positive developments

- systems for anticipation of skill needs sophisticated and complex;
- clear trend to combine methods and efforts of different institutions and stakeholders;
- a need for common approaches throughout the EU to achieve a greater comparability and compatibility of results recognised.
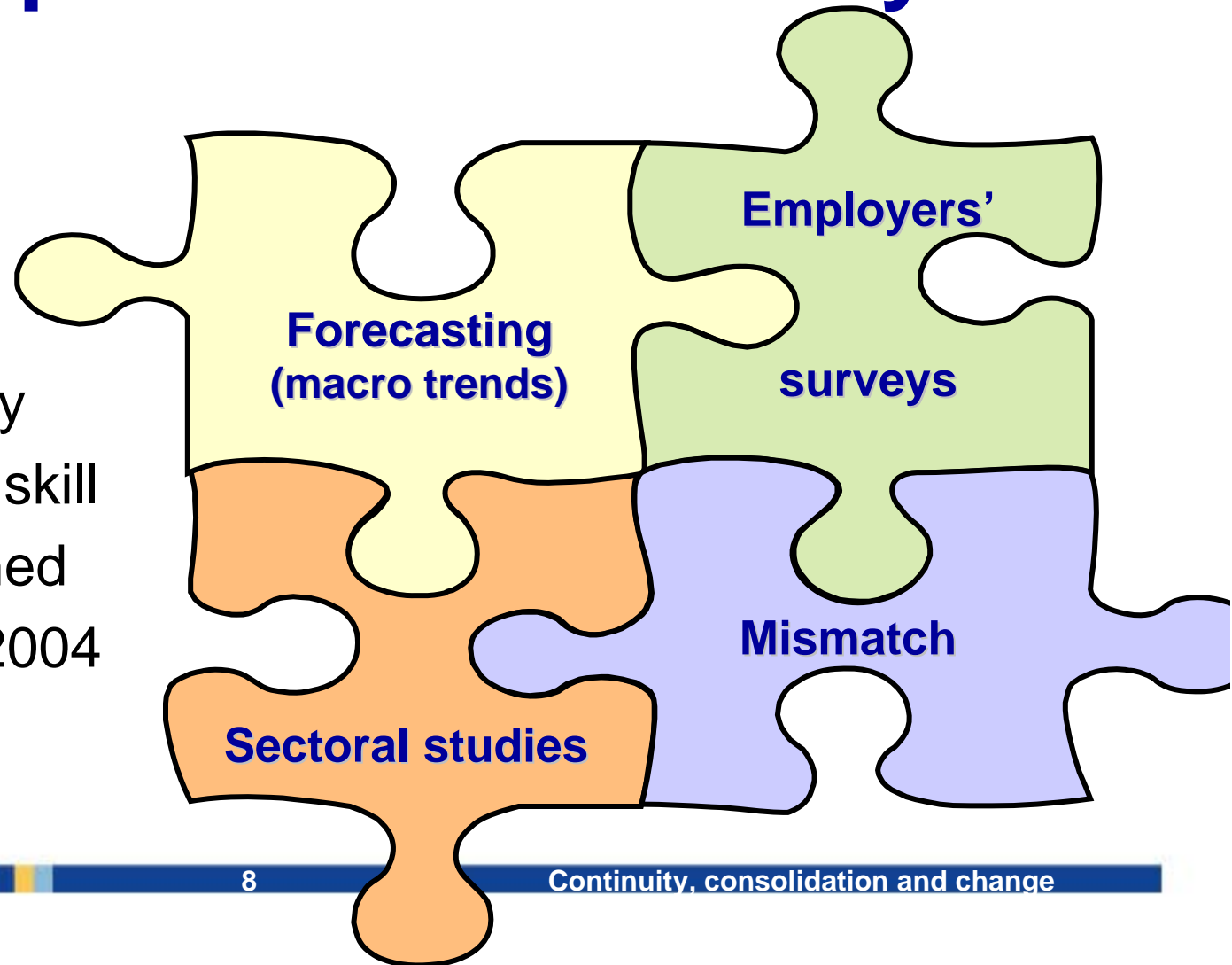
BUT still weak:
- application of research findings to policy and practice;
- data limitations, insufficient funding and expertise.

Cedefop's skill needs analysis

Skillsnet:

International network on early identification of skill needs established by Cedefop in 2004

Forecasting (macro trends)

Employers' surveys

Sectoral studies

Mismatch

Pan-European forecasts of skills supply and demand

European skill needs forecast for EU-25 (+ NO and CH) until 2015 (2020)
  – by sector, occupation and level of education
  – expansion demand + replacement demand = total job openings

European skill supply forecast for EU-27 (+ NO and CH) until 2020
  – by level of education
  – stocks and flows, working age population, labour force (EA)

Towards regular forecasting: forecasts produced regularly every 2 years together with analysis of imbalances

Modular approach: framework
  – macroeconomic and sectoral employment projections, modules for occupations and qualifications, stocks and flows, 3 scenarios
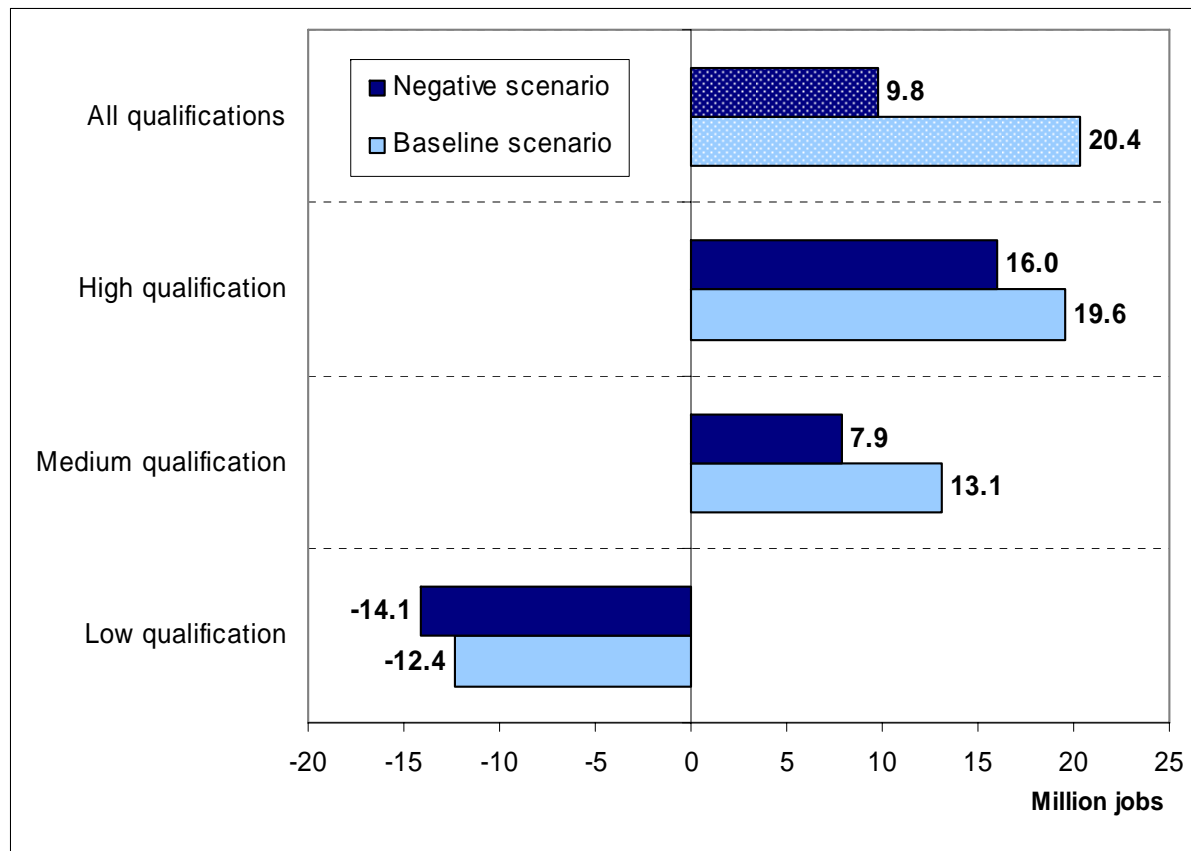 + validation by country experts (Skillsnet)

Different scenarios (but not crisis)

Drivers of change \ Scenario	Economic growth and competitiveness	Social welfare and government	Technological change	Globalization and mobility	Demography
Baseline	Base	No change	Medium	Base	Base (ageing population)
Positive	⇧	⇩ taxes and benefits	⇧	⇧	⇧ working age population
Negative	⇩	⇧ taxes and benefits	⇩	⇩	⇧ life expectancy, even ⇧ dependency

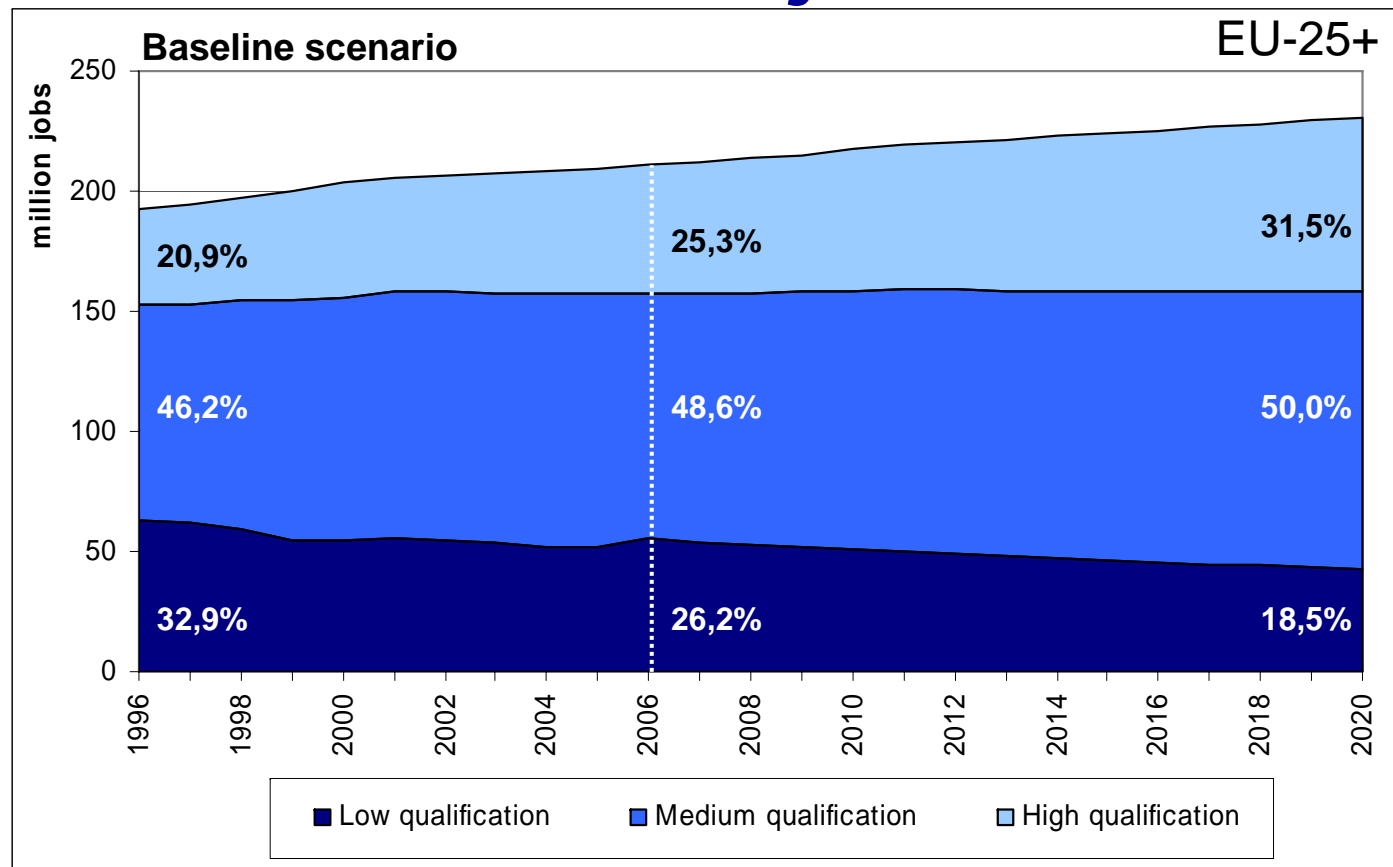# Net employment change (2006-2020) in Europe by qualification: scenarios
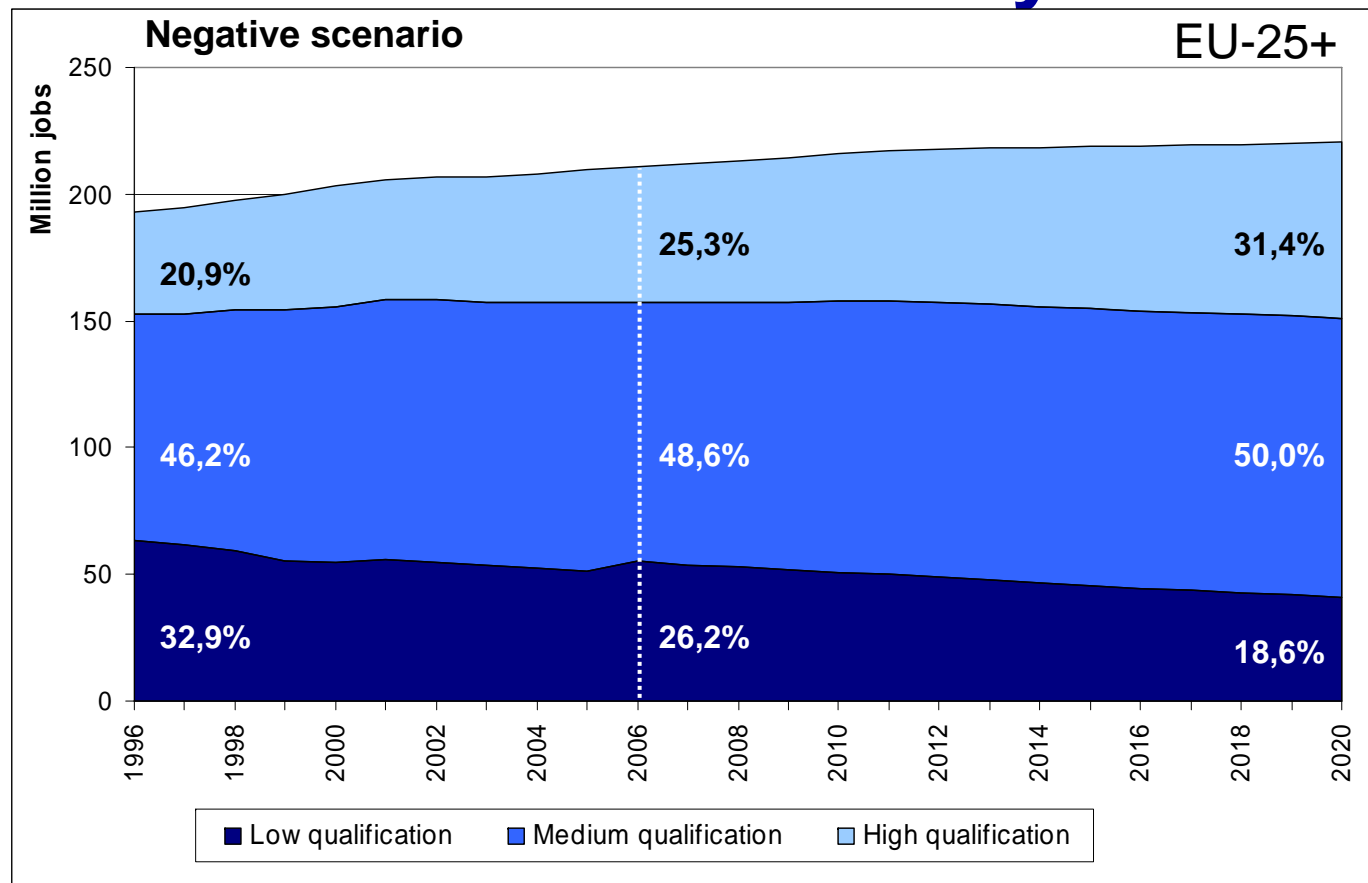
Qualification requirements raising across all jobs…

Baseline scenario

EU-25+

million jobs

20,9%   25,3%   31,5%

46,2%   48,6%   50,0%

32,9%   26,2%   18,5%

■ Low qualification   ■ Medium qualification   □ High qualification

…even in negative scenario (qualification structure likely to remain)

Negative scenario EU-25+

Million jobs

250

200

150

100

50

0

20,9% 25,3% 31,4%

46,2% 48,6% 50,0%

32,9% 26,2% 18,6%

1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 2016 2018 2020

■ Low qualification ■ Medium qualification □ High qualification

Occupational structure

Legislators, senior officials and managers

18%
16%
14%
12%
10%
8%
6%
4%
2%
0%

Professionals

Technicians and associate professionals

Clerks

Service workers and shop and market sales workers

Skilled agricultural and fishery workers

Craft and related trades workers

Plant and machine operators and assemblers

Elementary occupations

Legend:
- 1996
- 2006
- 2020
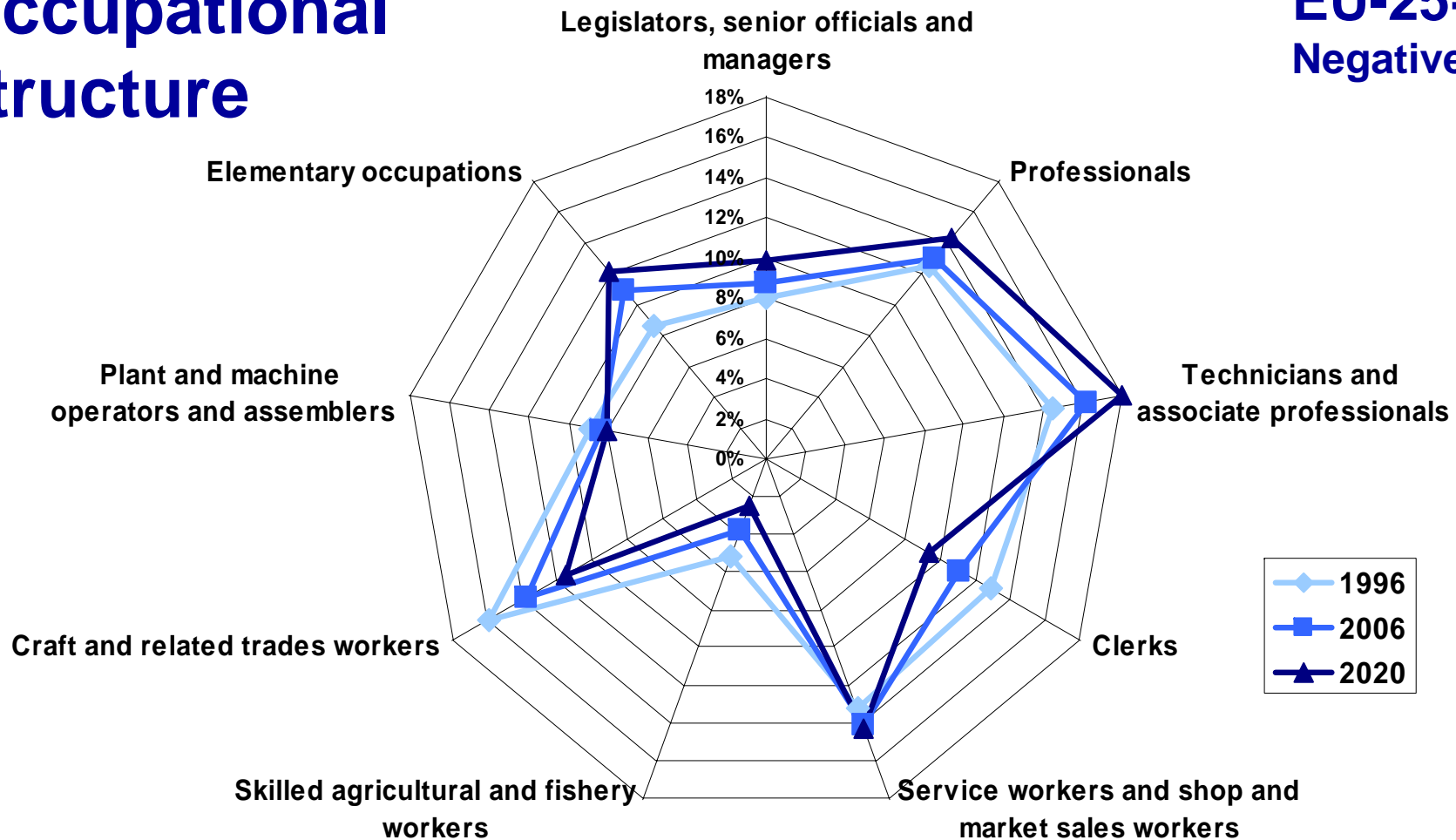
Replacement needs will play important role

Expansion demand (net change)
Replacement demand

Change 2006-2020 in million jobs
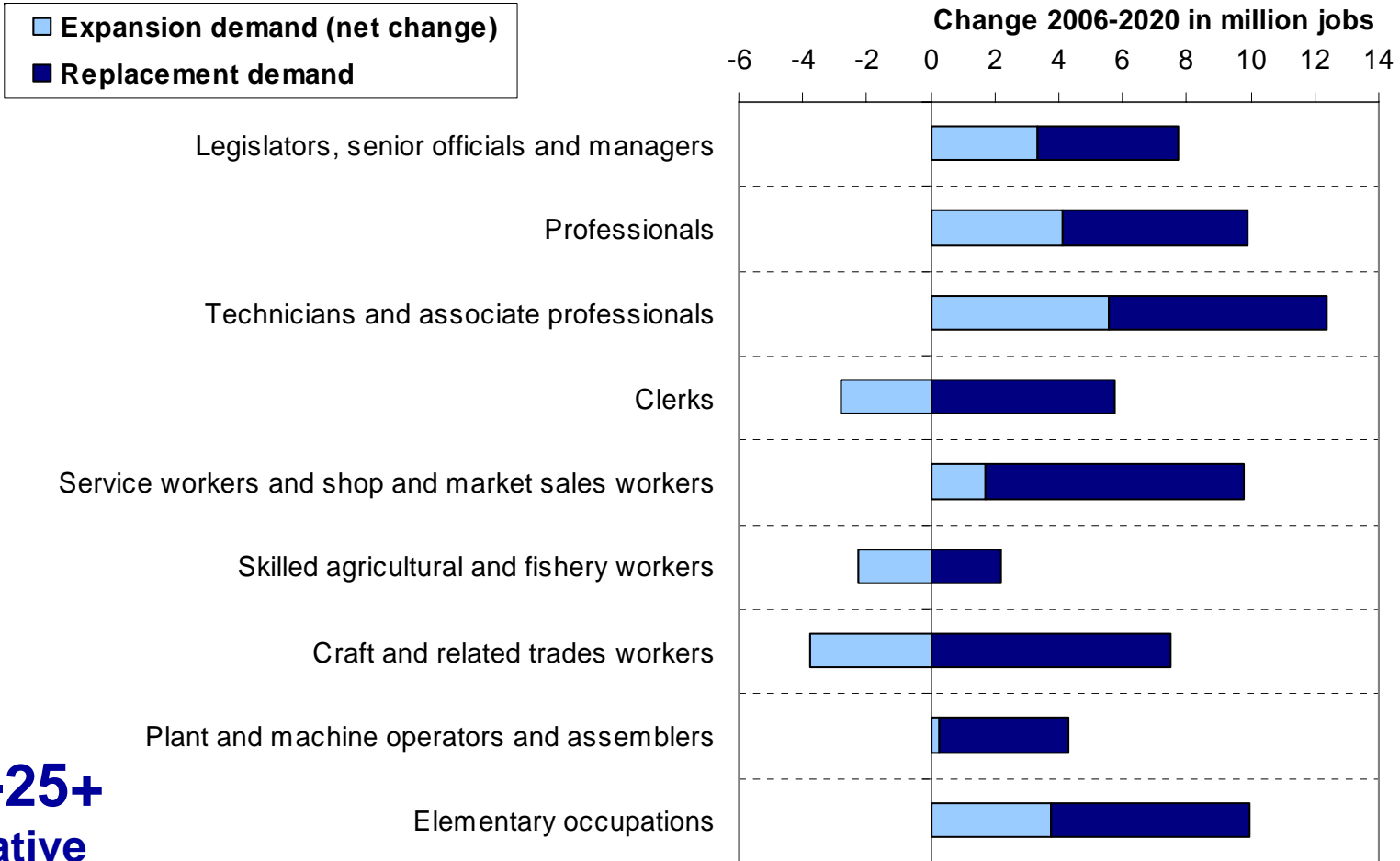
EU-25+
Negative

New Skills for New Jobs : Cedefop's future priorities

- Regular forecasts of skill supply and demand
- Analysis of future labour market imbalances
- Research and analysis of skill mismatch
- Employers' surveys on skill needs in Europe
- Skill need for the green economy

  ⇨ **Conference "Matching skills and jobs" 11-12 June 2009 in Thessaloniki**

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