

#ESJsurvey INSIGHTS No. 5

A New Skills Agenda for Europe: What are the key challenges?¹

@Cedefop's European skills and jobs survey (ESJS) highlights the complex challenges facing European skill systems. Skills matching ranks low as a motive in individuals' job choices, while job mobility favours the most skilled. Skill gaps are prevalent in some occupations and sectors and for some population groups (re)entering the job market (e.g. long-term unemployed), yet too many of EU workers' skills are underused and unidentified. Cedefop expert @K_Pouliakas notes that 'a new Skills Agenda must further facilitate the transparency and validation of qualifications and skills and invest in better skills intelligence. This will ultimately foster mobility of the groups most in need'.

1. Hard facts for a New EU Skills Agenda

EU Member States have employed in recent years a number of policy levers on education and training, which affect, in different ways, the effectiveness of skill formation and matching in EU countries. These policy levers aim to influence the extent to which the qualifications, knowledge, skills and competences acquired by learners and workers strengthen their employability, ability to find sustainable employment and, ultimately, their productivity and innovation.

Within the strategic framework for European cooperation in education and training (ET 2020)², as well as the revised priorities for European cooperation in VET³, a number of key policy priorities and instruments have been set up by national and EU policymakers. Some of these refer to the need to promote work-based learning in all its forms, improve the quality of education and training systems, offer efficient and integrated guidance services and make validation of non-formal and informal learning feasible. Other policy initiatives are also high up in the policy agenda, such as continued efforts to improve the transparency and comparability of qualifications across Europe via the development of National Qualification Frameworks (NQFs), which link to the European Qualification Framework (EQF).

The **New Skills Agenda for Europe** proposed by the European Commission will soon suggest policy actions and initiatives that will seek to strengthen these European tools.⁴

But what are the 'hard facts' regarding skills development and matching in EU labour markets that a New European Skills Agenda will have to confront? **Cedefop's European skills and jobs survey**⁵

¹ Please cite this short analytical piece as: Cedefop (2016), 'Policy tools for a New Skills Agenda: What are the key challenges?', #ESJsurvey Insights, No. 5, Thessaloniki: Greece.

² <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Aef0016>

³ http://ec.europa.eu/education/policy/vocational-policy/doc/2015-riga-conclusions_en.pdf

⁴ https://ec.europa.eu/priorities/work-programme-2016_en

⁵ <http://www.cedefop.europa.eu/en/events-and-projects/projects/analysing-skill-mismatch>

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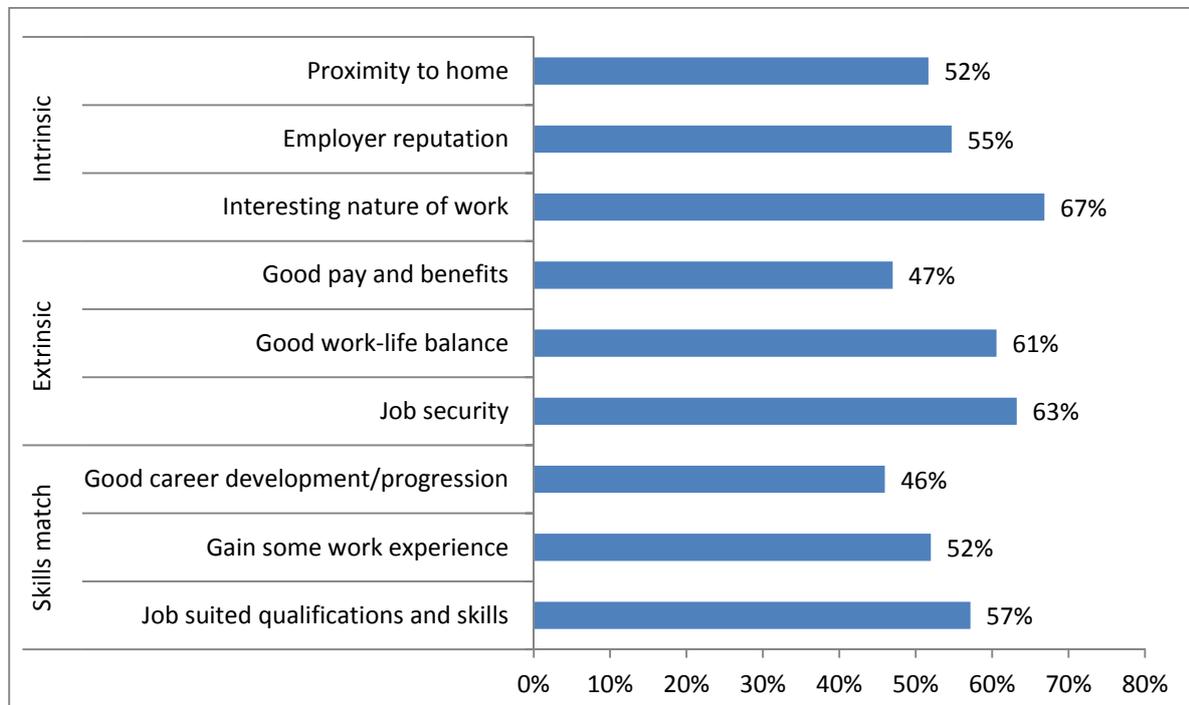
(Cedefop, 2015a,b), a survey of about 49,000 adult EU employees carried out in 2014, has highlighted a number of significant challenges that European education and training policy must overcome in the medium-term. Some key ones are discussed in more detail below:

#1 Limited weight of skills intelligence and career guidance on citizen's job choices

EU adult workers were asked as part of the ESJ survey to identify the importance of several factors that influenced their decision to accept their current job (*Figure 1*). The survey reveals that the most important motivators driving individual's job choice include the intrinsic satisfaction offered by the nature of the work, the provision of job security and the work-life balance. *The overall match of individuals' qualifications and skills with those needed by their job, both at the time of recruitment and over time as their career progresses, ranked much lower in significance.*

It may be reasonable, especially during the recent years of economic downturn, for individuals to place a higher premium on the security of employment. However, the lower weight put on the match of their skills with their job requirements is concerning, as it may be associated with adverse long-term consequences, such as enhanced risk of unemployment and career instability.

Figure 1 Reasons for accepting current job, EU adult employees, 2014, EU28



NB: Percentage of respondents who ranked each factor with a score higher than 8 on a 0-10 importance scale, where 0 corresponds to 'Not at all important', 5 'Moderately important' and 10 'Essential'.

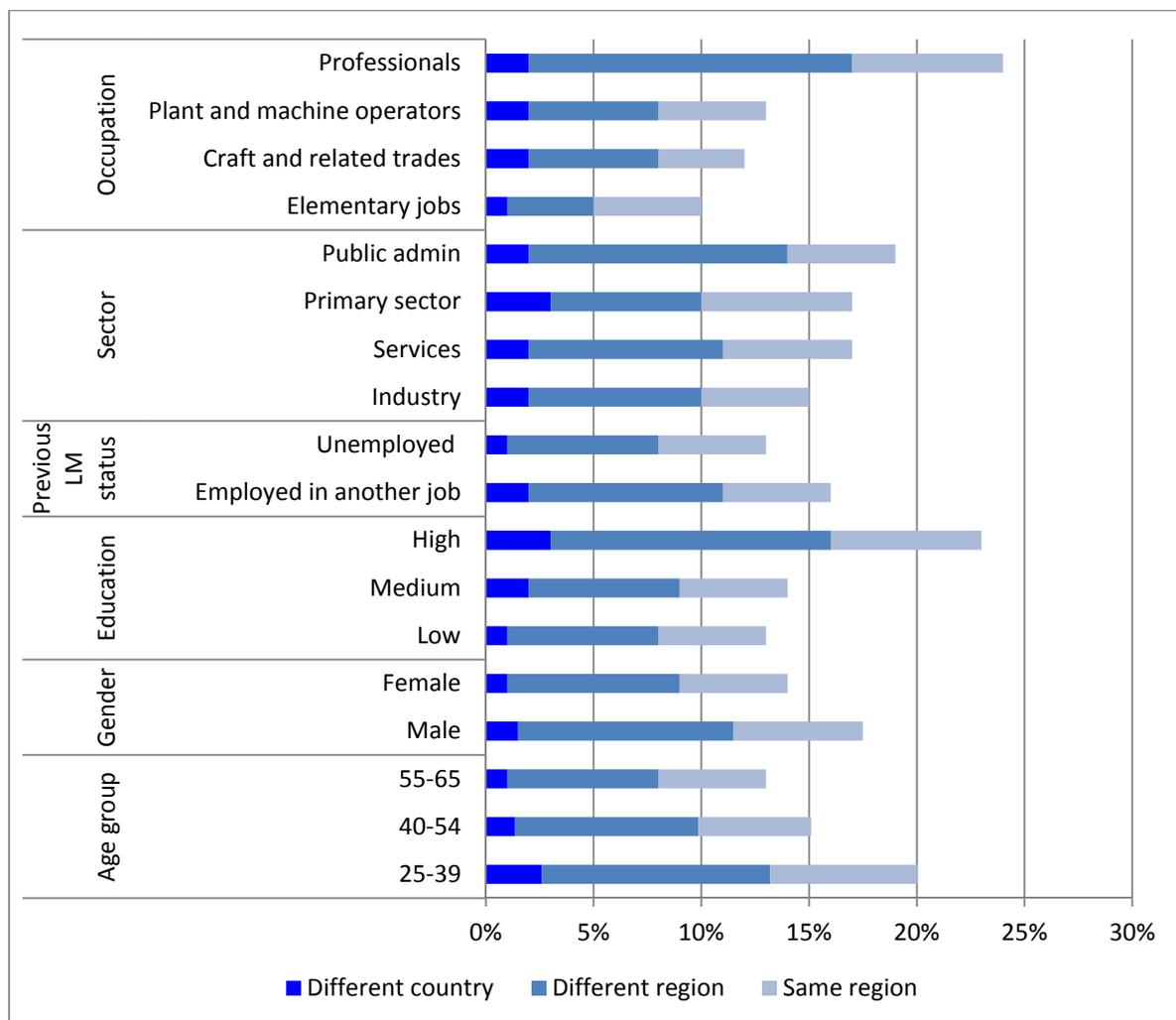
Source: Cedefop European Skills and Jobs survey (ESJS), <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3072>

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#2 Limited and segmented mobility across EU countries and regions

The ESJS data confirm that labour market and geographical mobility in Europe is still very limited (**Figure 2**). Around one in five (17%) respondents indicated that they had to move home when they started their job with their current employer; 9% moved to a different region but within their own country, 6% moved but within the same region and only 2% moved to a different EU country.

Figure 2 Mobility of EU adult employees, 2014, EU28



NB: Percentage of respondents with positive responses to the question 'Did you have to move home before you started working for your current employer? 1. Yes, to a different country; 2. Yes, to another region of the country you live in; 3. Yes, to the same region of the country you live in'.

Source: Cedefop European Skills and Jobs survey (ESJS), <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3072>

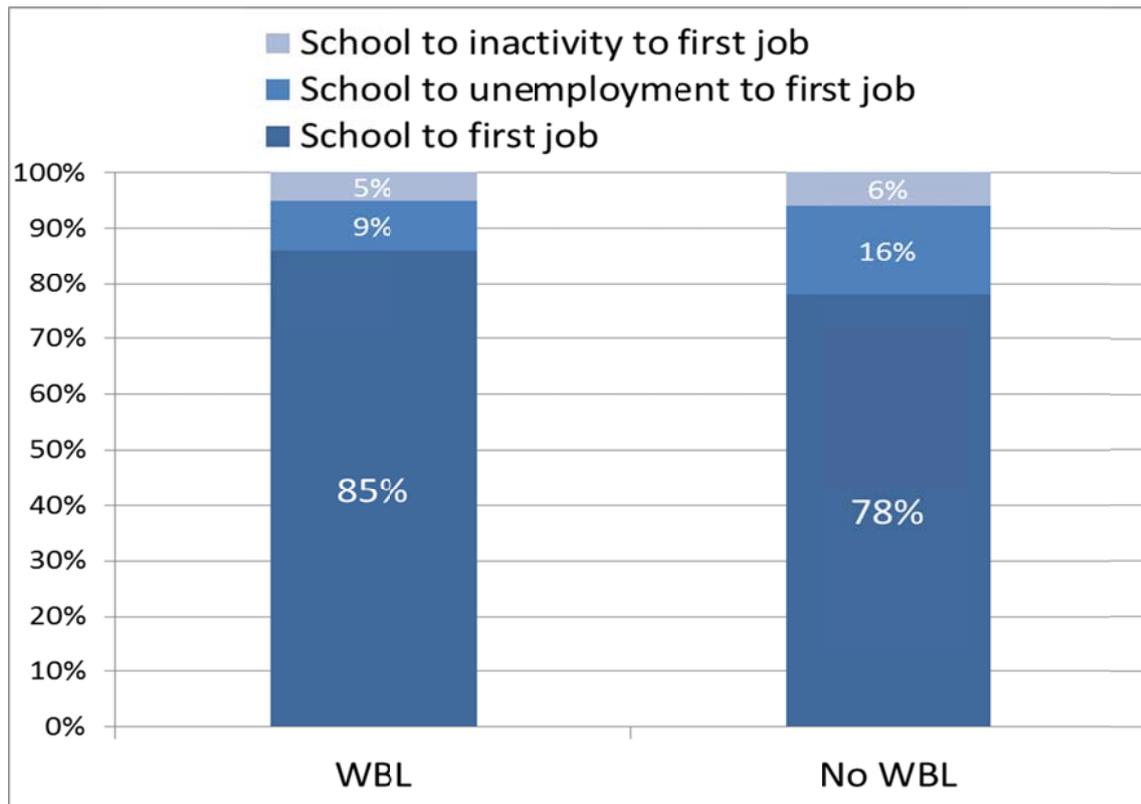
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Perhaps most crucially, the ESJS data highlight that *those groups most in need of job mobility are exactly those least likely to engage in mobility*. It is, on average, younger, high-educated, male professionals who are more likely to have moved to a different country or region prior to commencing their current job, motivated by the need to advance their career prospects. By contrast, geographic mobility is less common among females, older and lower-educated individuals and those who experienced a prior spell of unemployment or inactivity before finding their work.

#3 Limited take-up of workplace learning

The ESJS data confirm that the experience of workplace learning is positively associated with a faster transition to a first job (*Figure 3*).

Figure 3 Transitions to a first job by workplace learning status, 2014, EU28



NB: WBL corresponds to workers who responded that ‘during their studies, they experienced some learning in a workplace (e.g. through apprenticeships, internships or other forms of work-based learning)’. Sample refers only to those whose current job is their first job and is broken down by labour market status prior to finding the first job.

Source: Cedefop European Skills and Jobs survey (ESJS), <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3072>

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Among those who experienced some learning in a workplace during their studies, 82% went directly to their first employment after completing their education and training, while only 9% entered unemployment as an interim stage prior to finding their first job. By comparison, 15% of graduates who did not spend any time at all in a workplace as part of their studies went straight to the unemployment registers and only 77% made a direct transition to a job.

Despite fostering a tighter link between education and employment, the data reveals that there are stark differences in the availability of workplace learning between EU countries, while workplace learning is *still very much tightly knit to traditional manufacturing and health-related economic sectors*. While over 60% of EU tertiary education graduates with a Medicine and Health related degrees had some workplace experience whilst studying, only about 30% of STEM graduates and less than 2 in 10 graduates from Humanities, languages and arts degrees did so.

#4 Significant underutilisation of the skills of the EU's workforce

In addition to a lack of basic or relevant skills among specific subgroups (e.g. unemployed; first time job entrants), as well as skill gaps in dynamic sectors and occupations (e.g. ICT), the ESJS has shown that in many cases individuals possess *skills, but these are not identified, exploited or properly rewarded*. In particular, the survey has revealed how skills acquired on the job or through other relevant experiences are not necessarily recorded in a qualification or documented.

For instance, **Figure 4** shows that although 1 in 5 older aged EU employees have a lower qualification than needed by their jobs (underqualified), a very small share thinks that they do not possess the necessary skills to do their jobs (underskilled). Overall, only 1 in 10 EU workers with a lower qualification than needed said they have insufficient skills relative to the level needed to perform their job tasks. Of those adult workers who entered into their current job underqualified and underskilled, 86% have developed enough or more skills than required over time, as a result of their continuing non-formal and informal learning.⁶ While overall in the EU28 sample, about 4 in 10 (39%) adult employees consider that their skills exceed what is needed to do their job.

2. The Way Ahead

What the above empirical facts highlight is that EU education, training and employment policies still have significant scope to foster greater mobility of population groups in need, most notably by facilitating improved recognition of qualifications and skills at EU level and by offering reliable and timely skills intelligence, which will strengthen the value of career guidance and counselling.

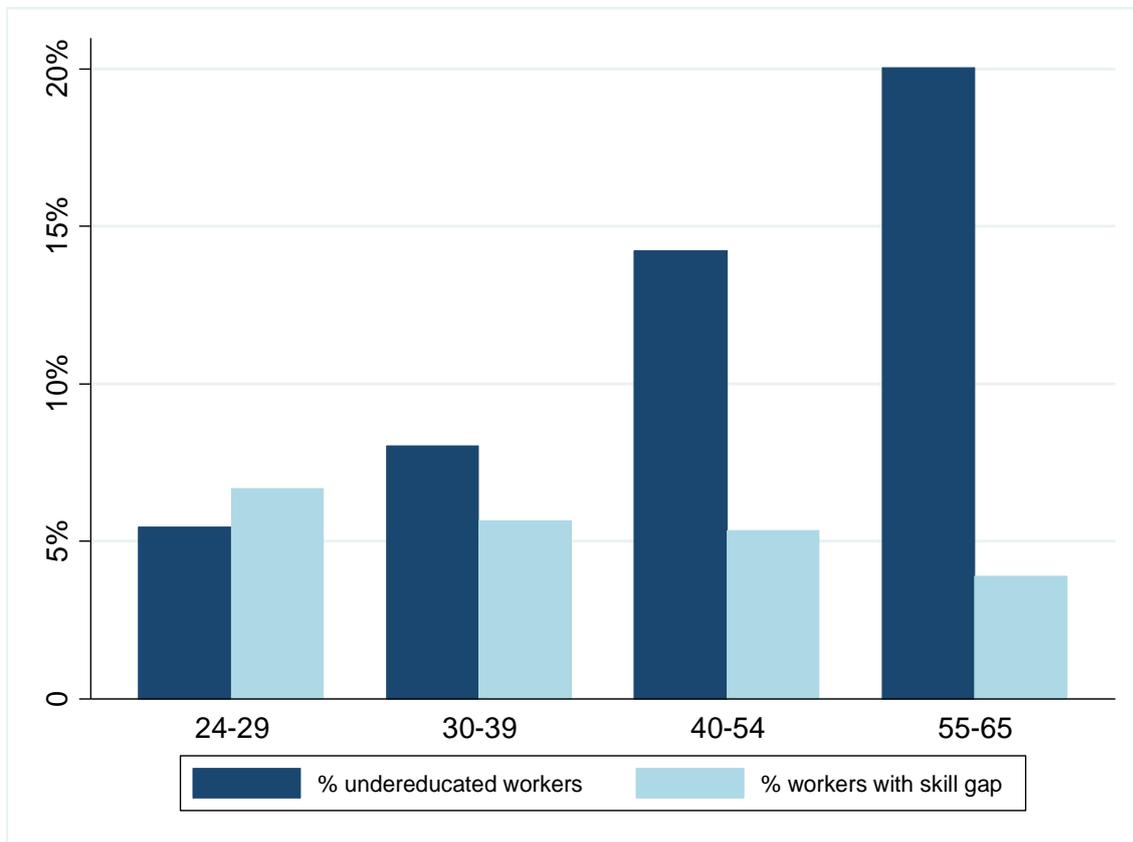
⁶ See #ESJsurvey Insight No. 4 - <http://www.cedefop.europa.eu/en/news-and-press/news/esjsurvey-insights-skills-development-organisations-offering-varied-learning>

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To achieve Europe’s medium-term goals on VET and employment, much also still needs to be done to extend workplace learning opportunities to a wider segment of the EU’s graduate population.

Finally, it is evident that the potential for validation of the non-formal and informal learning of Europe’s skilled workforce is yet to be fully grasped, so European skills policies, also stimulated by the European Commission’s New EU Skills Agenda, need to place greater attention on making the most of Europe’s existing, yet hidden, stock of skills.

Figure 4 Share of adult employees underqualified and with skill gaps, 2014, EU28



NB: *Undereducated workers* are defined by comparing each respondent’s highest level of educational attainment with the qualification s/he thinks is needed to do his/her job today. Workers with *skill gaps* are those who replied affirmatively to the question: ‘Overall, how would you best describe your skills in relation to what is required to do your job? Some of my skills are lower than what is required by my job and need to be further developed’.

Source: Cedefop European Skills and Jobs survey (ESJS), <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3072>

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Further reading:

Cedefop (2015a), *Skills, qualifications and jobs in the EU: the making of a perfect match?*, Cedefop reference series. See <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8088> for first insights.

Cedefop (2015b), *Matching skills and jobs in Europe: Insights from Cedefop's European skills and jobs survey* <http://www.cedefop.europa.eu/en/publications-and-resources/publications/8088>

Cedefop (2015c). *Stronger VET for better lives: Cedefop's monitoring report on vocational education and training policies 2010-14*. Luxembourg: Publications Office. Cedefop reference series; No 98. http://www.cedefop.europa.eu/files/3067_en.pdf

European Commission (2014), *European Area of Skills and Qualifications*, Special Eurobarometer 417 http://ec.europa.eu/public_opinion/archives/ebs/ebs_417_en.pdf

European Commission (2015), *Education and Training Monitor 2015*, Luxembourg: Publications Office of the European Union. http://ec.europa.eu/education/tools/et-monitor_en.htm

European Commission (2016), *Employment and Social Developments in Europe 2015*, Ch. III.1. Supporting skills development and matching in the EU, Luxembourg: Publications Office of the European Union
<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7859&furtherPubs=yes>

Enter the debate on the policy implications of the ESJ survey at:
[#ESJsurvey](http://twitter.com/cedefop) or <http://www.facebook.com/Cedefop/>

For further information about the survey visit Cedefop's website:
<http://www.cedefop.europa.eu/en/events-and-projects/projects/analysing-skill-mismatch>

Or contact: Konstantinos.Pouliakas@cedefop.europa.eu

Discover more ESJ survey indicators and analysis at the Skills Panorama!

<http://skillspanorama.cedefop.europa.eu/en/skills-themes/matching-skills-and-jobs>