



CEDEFOP

European Centre  
for the Development  
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European Economic and Social Committee



**A VISION**  
FOR THE FUTURE

# Policy Learning Forum **ON UPSKILLING PATHWAYS**

**7-8 February 2018**

EESC | JDE building Rooms 60, 61, 62 | Rue Belliard 99, Brussels

**Does investing in skills pays off?  
Understanding low skills**

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# Why investing in skills matters?



Earnings and  
employability;  
health, well being,  
satisfaction



Productivity and  
return to  
investment;  
recruitment costs



Productivity and  
growth; tax  
revenues and costs  
to the public purse  
(crime, health,  
benefits etc.)



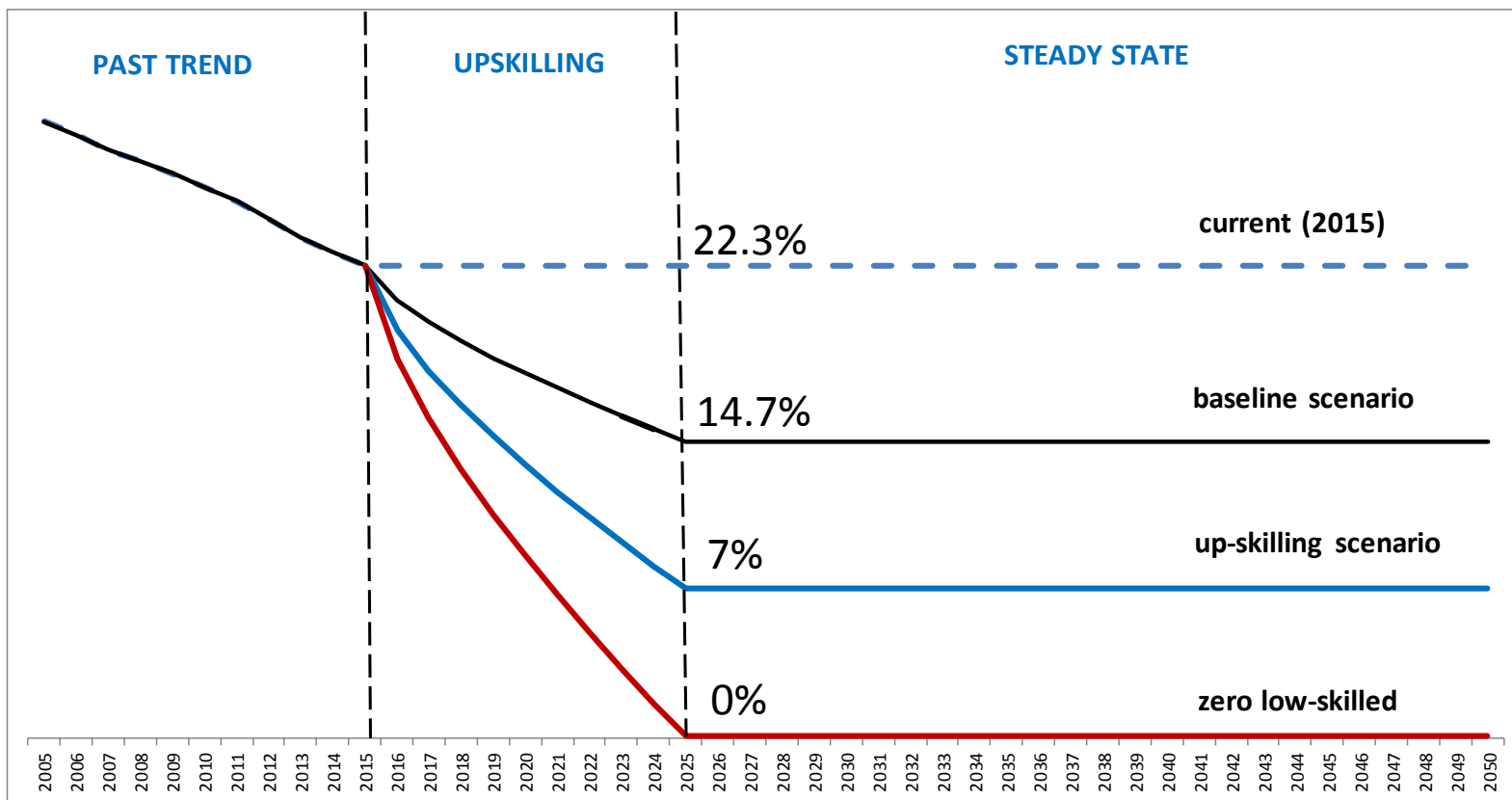
Social inclusion,  
political and civic  
engagement



Consequences of low skills

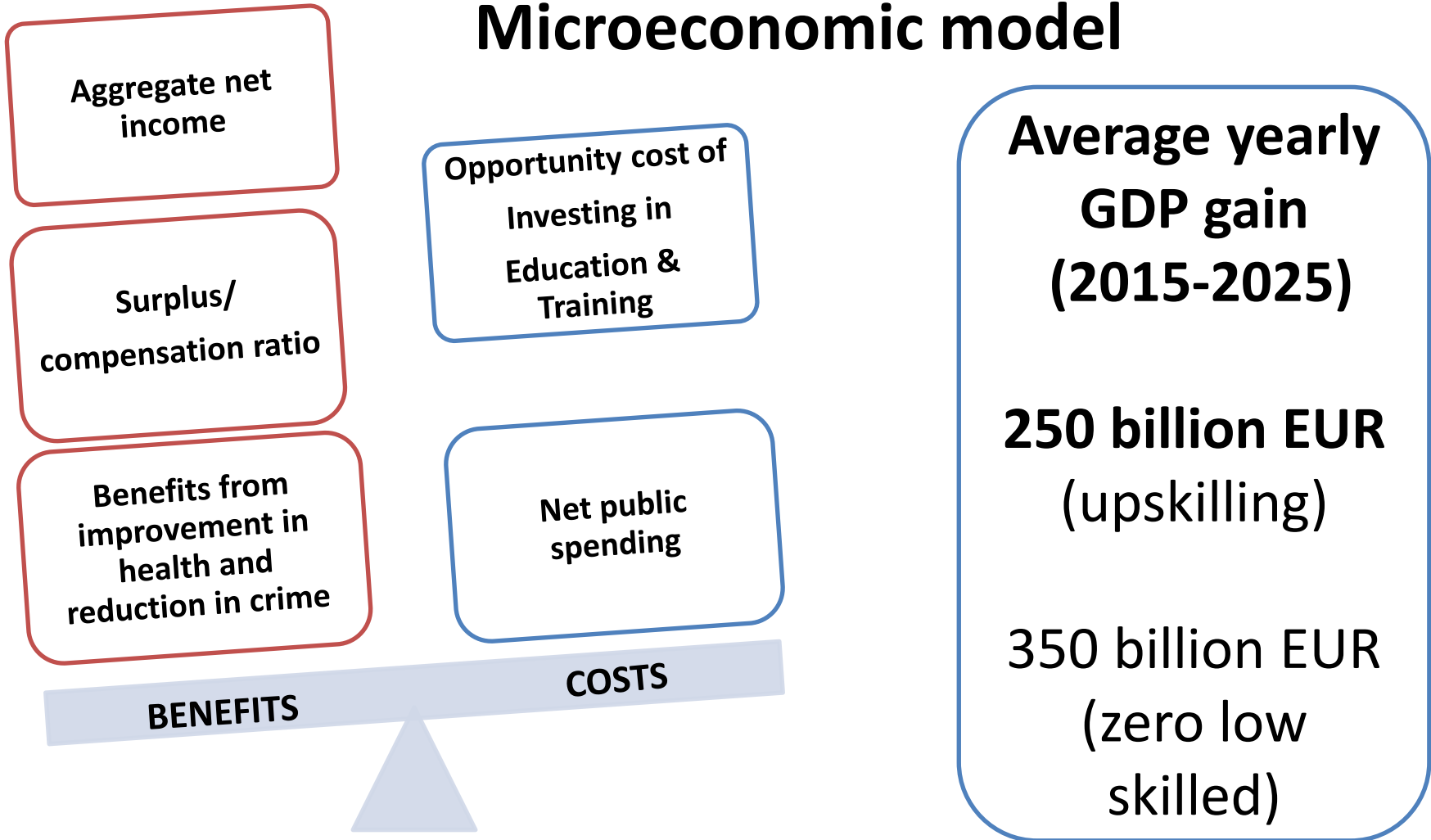


# Economic and social cost of low skills: scenarios 2025-2050





# Microeconomic model





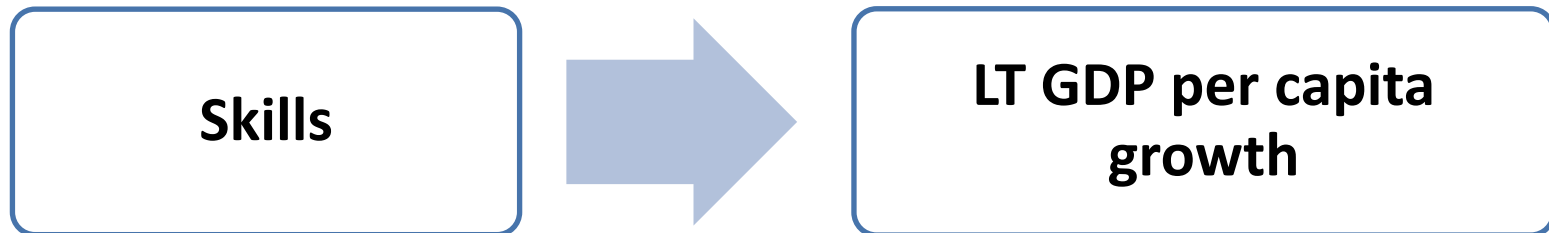
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# Macroeconomic model

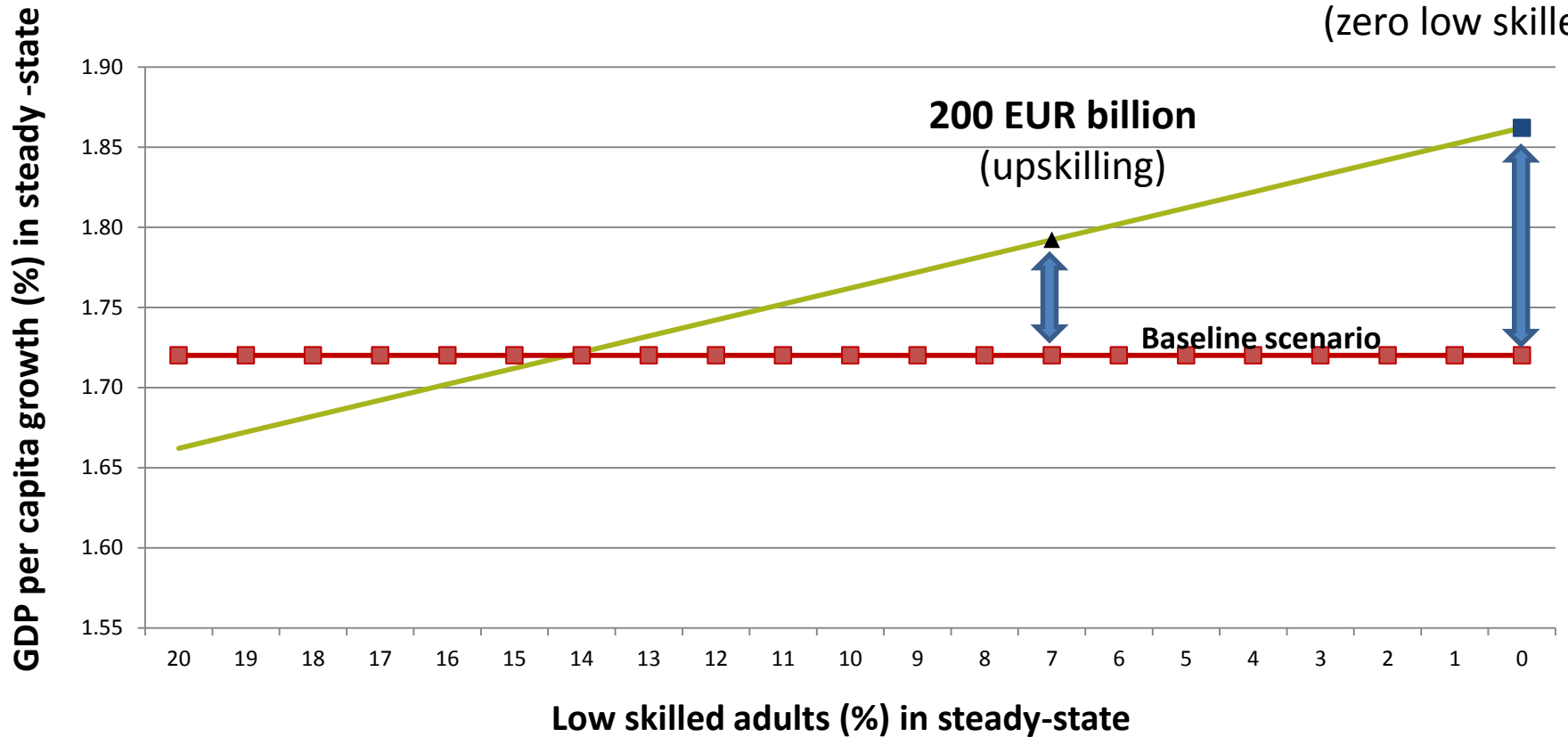




# Macroeconomic model

## Average yearly GDP gain 2025-2050

410 EUR billion  
(zero low skilled)





## Who are the low skilled?

**Low qualified**

**Unemployed and  
inactive**

**Participate less in  
E &T and LLL**

**Disadvantaged  
background**

**Migrant**

**Low qualified  
parents**

**Precarious  
work**

**Trapped in  
elementary  
jobs**

**Poor working  
conditions**

Effective policy  
actions  
need to  
**recognise** and  
**target**  
the **needs** and  
**characteristics**  
of the  
low skilled  
subpopulations



## Summing up:

- **Vulnerable** segment of the population: low skills associated with **negative consequences**;
- **Empowering** low skilled adults by means of promoting their **upskilling** and/or **re-skilling** is associated with large **social** and **economic benefits**;
- **Heterogeneous** group: low skilled subpopulations;
- Effective policy actions need to **recognise** and **target** the different **needs** and **characteristics** of the low skilled.

Investing in skills  
pays off: The  
economic and  
social cost of low-  
skilled adults in  
the EU



<http://www.cedefop.europa.eu/en/publications-and-resources/publications/5560>