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PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**A NEW SKILLS AGENDA FOR EUROPE**

**Working together to strengthen human capital, employability and competitiveness**

{SWD(2016) 195 final}

# A NEW SKILLS AGENDA FOR EUROPE

*Working together to strengthen human capital, employability and competitiveness*

## 1. INTRODUCTION

Skills<sup>1</sup> are a pathway to employability and prosperity. With the right skills, people are equipped for good-quality jobs and can fulfil their potential as confident, active citizens. In a fast-changing global economy, skills will to a great extent determine competitiveness and the capacity to drive innovation. They are a pull factor for investment and a catalyst in the virtuous circle of job creation and growth. They are key to social cohesion.

Yet the situation in Europe calls for action. 70 million Europeans lack adequate reading and writing skills, and even more have poor numeracy and digital skills, putting them at risk of unemployment, poverty and social exclusion<sup>2</sup>. More than half of the 12 million long-term unemployed are considered as low-skilled. Higher education institutions need to ensure that they equip graduates with relevant and up-to-date skills.

Skills gaps and mismatches are striking. Many people work in jobs that do not match their talents. At the same time, 40% of European employers have difficulty finding people with the skills they need to grow and innovate. Education providers on the one hand and employers and learners on the other have different perceptions of how well prepared graduates are for the labour market. Too few people have the entrepreneurial mindsets and skills needed to set up their own business.

National and regional labour markets and education and training systems encounter specific challenges, but all Member States face similar problems and opportunities:

- Skill acquisition and development are essential for the performance and modernisation of labour markets in order to provide new forms of flexibility and security for job seekers, employees, and employers alike.
- Skills mismatches hinder productivity and growth and affect Member States' resilience to economic shocks.
- The digital transformation of the economy is re-shaping the way people work and do business. New ways of working are affecting the types of skills needed, including innovation and entrepreneurship. Many sectors are undergoing rapid technological change and digital skills are needed for all jobs, from the simplest to the most complex. High skills enable people to adapt to unforeseen changes. Similarly, the transition to a low carbon and circular economy means creating and adapting to business models and job profiles.
- The EU workforce is ageing and shrinking, leading to skills shortages in some cases. To compensate for this it is necessary to increase labour market participation and productivity. Women represent 60% of new graduates, but their employment rate remains below that of men and women and men tend to work in different sectors. Inclusive labour markets should draw on the skills and talents of all, including the low-skilled and other vulnerable groups. In the global race for talent, we need to nurture our skilled workers, reduce brain drain, while facilitating mobility of EU citizens, attracting talent from abroad and making better use of migrants' skills.

<sup>1</sup> The term 'skills' is used to refer broadly to what a person knows, understands and can do.

<sup>2</sup> Evidence for the information presented in this Communication is provided in the accompanying Staff Working Document.

- The quality and relevance of the education and training available, including teaching standards, vary widely. This contributes to increasing disparities in the economic and social performance of Member States, whereas stronger education and skills policies are key to shape innovation and could facilitate upward convergence towards the best performing countries.
- Perceptions are not always rooted in reality; for example, more awareness of the good employment outcomes of Vocational Education and training (VET) can make it a genuine first choice for more people. Similarly, increasing the attractiveness of the teaching profession would stimulate talented young people to pursue this career.
- People increasingly learn in settings outside formal education – online, at work, through professional courses, social activities or volunteering. These learning experiences can often go unrecognised.

Tackling the skills challenges will require significant policy efforts and systemic reforms in education and training. It will require smart investments in human capital from both public and private sources, in line with the Stability and Growth Pact. The need for reinforced and updated skills also features prominently in the draft outline of the European Pillar of Social Rights presented on 8 March<sup>3</sup>.

While competence for the content of teaching and the organisation of education and training systems lies with Member States, a concerted effort is required to achieve meaningful, sustainable results. The EU-level already makes an important contribution to strengthening Europe's skills base, notably in the European Semester, the Europe 2020 Strategy with its two-fold education target, the Investment Plan for Europe, the strategic framework for cooperation in education and training "ET2020", the interventions of the European Structural and Investment Funds. The European Social Fund and the European Regional Development Fund alone will inject over EUR 30 billion to support skills development in the period 2014-2020, and the Erasmus+ programme supports skills development in education and training with nearly EUR 15 billion.

The New Skills Agenda presented today is number one in the list of major initiatives in the Commission Work Programme 2016. It supports a shared commitment and works towards a common vision about the strategic importance of skills for sustaining jobs, growth and competitiveness. This Skills Agenda strengthens and, in some cases, streamlines existing initiatives to better assist Member States in their national reforms as well as to trigger a change of mindsets in both individuals and organisations. It seeks a shared commitment to reform in a number of areas where Union action brings most added value. It is centred around three key work strands:

1. Improving the quality and relevance of skills formation
2. Making skills and qualifications more visible and comparable
3. Improving skills intelligence and information for better career choices

EU-level action alone will not suffice. Success depends on the commitment and expertise of many players: national governments, regions, local authorities, businesses and employers, workers and civil society, and people themselves, taking up opportunities to make the best of their talents. In particular, social partners will have a key role to play in ensuring the Agenda is successfully developed and implemented, and keeps pace with the fast-changing needs of our labour market and society.

<sup>3</sup> Launching a consultation on a European Pillar of Social Rights; COM(2016) 127

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## **2. RAISING THE BAR: PRIORITIES FOR ACTION**

### **2.1. IMPROVING THE QUALITY AND RELEVANCE OF SKILLS FORMATION**

People need a broad set of skills to fulfil their potential both at work and in society. At EU level, the policy focus on educational attainment has brought significant achievements. In 2014, around 10 million more people completed higher education than in 2010, and the number of young people dropping out of school had fallen to 4.5 million from 6 million in 2010. This is significant progress towards the Europe 2020 targets.

Increasingly, however, evidence shows that policies to increase attainment alone are not sufficient. The quality and the relevance of what people learn are now centre-stage. Many young people leave education and training without being sufficiently prepared to enter the labour market and without the skills or mindset to start their own business.

Acquiring skills is a lifelong process, both formal and informal, and starts very young. The positive long-term effects of good quality early education are significant and well documented, laying the foundation for future ability and motivation to learn.

Beyond looking for the right occupation-specific skills, employers are increasingly demanding transferable skills, such as the ability to work in a team, creative thinking and problem solving. This skills mix is also essential for people considering starting their own business. Yet too little emphasis is usually placed on such skills in curricula and they are rarely formally assessed in many Member States. Interdisciplinary profiles – people with the ability to combine work across different fields - are increasingly valued by employers, but are in short supply on the labour market.

#### **Strengthening the foundation: basic skills**

Europe faces a basic skills challenge. People need a minimum level of basic skills, including numeracy, literacy and basic digital skills, to access good jobs and participate fully in society. These are also the building blocks for further learning and career development. Around a quarter of the European adult population struggles with reading and writing, and has poor numeracy and digital skills. More than 65 million people in the EU have not achieved a qualification corresponding to upper secondary level. This rate varies significantly across EU countries, reaching 50% or more in some.

As most jobs increasingly require complex skills, low-qualified people have fewer employment opportunities available to them. They are also more vulnerable to precarious jobs and are twice as likely as better qualified people to experience long-term unemployment. Under-skilled individuals are also often vulnerable consumers, especially in increasingly complex markets.

- 1. To improve the employment opportunities of low-skilled adults in Europe, Member States should put in place pathways for upskilling via a Skills Guarantee established in co-operation with social partners and education and training providers, as well as local, regional and national authorities. Upskilling should be open to people both in-work and out of work. Low-skilled adults should be helped to improve their*

*literacy, numeracy and digital skills and – where possible – develop a wider set of skills leading to an upper secondary education qualification or equivalent.*

*The Commission proposes that a **Skills Guarantee** be established (see ref. doc COM(2016) 382) to provide:*

- ✓ a skills assessment, enabling low-qualified adults to identify their existing skills and their upskilling needs;*
- ✓ a learning offer, responding to the specific needs of individuals and of local labour markets;*
- ✓ opportunities to have their skills validated and recognised.*

### **Building resilience: key competences and higher, more complex skills**

Formal education and training should equip everyone with a broad range of skills which opens doors to personal fulfilment and development, social inclusion, active citizenship and employment. These include literacy, numeracy, science and foreign languages, as well as transversal skills and key competences such as digital competences, entrepreneurship, critical thinking, problem solving or learning to learn, and financial literacy.

Early acquisition of these skills is the foundation for the development of higher, more complex skills which are needed to drive creativity and innovation. These skills need to be strengthened throughout life, and allow people to thrive in fast-evolving workplaces and society, and to cope with complexity and uncertainty.

While some of these competences already have an established place in educational systems, this is not typically the case for key competences such as entrepreneurship and citizenship, or transversal skills. Where some Member States have taken steps to incorporate them in curricula, this has not always been done consistently. To promote a shared understanding of two of these competences, the Commission has developed reference frameworks for digital competences<sup>4</sup> (now taken up in 13 Member States) and entrepreneurship<sup>5</sup> – newly published.

The Commission will work further with stakeholders to develop tools for assessing and validating these competences. These tools will enable public authorities and private bodies to improve their guidance, training and mentoring services for young people, job seekers and individuals in general. The Commission will also support EU countries, regions and education and training institutions to help young people acquire the entrepreneurial competences which can help them to set up their own business or social enterprise. EU programmes such as Erasmus+, COSME, and the European Social Fund already provide financial support to this end.

*2. To help more people acquire a core set of skills, the Commission intends to launch a revision of the **Key Competences Framework**<sup>6</sup> in 2017. The goal is to develop a shared understanding of key competences and to further foster their introduction in education and training curricula. The revision will also provide support for better developing and assessing these skills. Special attention will be paid to promoting*

<sup>4</sup> <https://ec.europa.eu/jrc/digcomp/>

<sup>5</sup> <https://ec.europa.eu/jrc/entrecomp>

<sup>6</sup> Recommendation Key competences for lifelong learning; OJ 2006/962/EC

*entrepreneurial and innovation-oriented mindsets, including by encouraging practical entrepreneurial experiences.*

### **Making VET a first choice**

Vocational education and training (VET) is valued for fostering job-specific and transversal skills, facilitating the transition into employment and maintaining and updating the skills of the workforce according to sectoral, regional and local needs. Although over 13 million learners are engaged in VET each year, forecasts in several Member States indicate that there will be a shortage of people with VET qualifications in the future.

For many young people and their parents VET remains a second choice. Co-ordination between employers and education and training providers is sometimes difficult. VET needs to increase its attractiveness through quality provision and flexible organisation, allowing progression to higher vocational or academic learning, and closer links with the world of work.

Higher level VET provision is steadily expanding and is valued by both learners and employers for providing skills needed on the labour market. Such developments need to be further encouraged and be appropriately integrated into the qualification frameworks and systems.

Business and social partners should be involved in designing and delivering VET at all levels, as demonstrated in the “dual system” of apprenticeships. VET should include a strong work-based dimension, whenever possible coupled with an international experience.

3. *The Commission, in co-operation with Member States, social partners and education and training providers, will support the implementation of the Riga Conclusions for quality and labour market relevant vocational skills and qualifications, by:*

- ✓ *supporting opportunities for learners to undertake a work-based learning experience as part of their studies.*
- ✓ *increasing opportunities for VET learners to combine learning experiences acquired in different settings, building on the existing VET instruments for quality assurance<sup>7</sup> and credit<sup>8</sup>, and in line with the revised EQF Recommendation.*
- ✓ *supporting the development and visibility of higher VET opportunities through partnerships between learning providers, research and business, with a particular focus on needs for higher level skills at sectoral level.*
- ✓ *improving data availability on labour market outcomes of VET.*
- ✓ *exploring ways to streamline the existing EU level governance of the VET sector, including a more explicit coordination role for the Advisory Committee on Vocational Training.*
- ✓ *launching a **first European VET Skills Week** in 2016 and increasing co-operation with World Skills Organisation to showcase vocational studies as a first class option.*

### **Getting connected: focus on digital skills**

The rapid digital transformation of the economy means that almost all jobs now require some level of digital skills, as does participation in society at large. The collaborative economy is changing business models, opening up opportunities and new routes into work, demanding different skill sets, and bringing challenges such as accessing upskilling opportunities. Robotisation and artificial intelligence are replacing routine jobs, not only on the factory floor, but in the office. Access to services, including e-services, is changing and requires that both users, providers and public administrations have sufficient digital skills. E-health, for instance, is transforming the way people access and receive healthcare.

The demand for digital technology professionals has grown by 4% annually in the last ten years. Yet digital skills are lacking in Europe at all levels. Despite continued strong employment growth, the number of unfilled vacancies for ICT professionals is expected to almost double to 756000 by 2020. Furthermore, almost half the EU population lacks basic digital skills; with around 20% of people having none at all. Member States, business and individuals need to rise to the challenge and invest more in digital skills formation (including coding / computer science) across the whole spectrum of education and training.

Europe needs digitally smart people who are not only able to use but also to innovate and lead in using these technologies. Without it Europe will not succeed in embracing this digital transformation. The acquisition of new skills is vital to keep pace with technological developments and industry is already introducing innovative training

<sup>7</sup> European Quality Assurance Reference Framework for Vocational Education and Training (1); OJ 2009/C/155/01

<sup>8</sup> European Credit System for Vocational Education and Training (ECVET); OJ 2009/C 155/02

methods. Research and innovation hubs can also help develop and transfer such skills, acting as catalysers for investment and for business and job creation.

4. *The Commission is launching the **Digital Skills and Jobs Coalition** to develop a large digital talent pool and ensure that individuals and the labour force in Europe are equipped with adequate digital skills.*

*Building on the positive results of the Grand Coalition for Digital Jobs and the EU e-skills strategy, and in coordination with the work under Education and Training 2020, Member States are invited to **develop comprehensive national digital skills strategies by mid-2017 on the basis of targets set by end-2016**. This includes:*

- ✓ *Establishing national digital skills coalitions connecting public authorities, business, education, training and labour market stakeholders.*
- ✓ *Developing concrete measures to bring digital skills and competences to all levels of education and training, supporting teachers and educators and promoting active involvement of business and other organisations.*

*The Commission will bring together Member States and stakeholders, including social partners, to pledge action and to identify and share best practices, so that they can be more easily replicated and scaled up. It will improve the dissemination of information about available EU funds (European Structural and Investment Funds, Youth Employment Initiative, Erasmus+) and explore possible funding opportunities for example through voucher mechanisms.*

*The Commission will monitor progress annually through its Europe's Digital Progress Report (EDPR).<sup>9</sup>*

## **2.2. MAKING SKILLS AND QUALIFICATIONS VISIBLE AND COMPARABLE**

Qualifications signal to employers what people know and are able to do but rarely capture skills acquired outside formal learning institutions, which therefore risk being undervalued. Identifying and validating these skills is particularly important for people with lower qualifications, the unemployed or those at risk of unemployment, for people who need to change career path and for migrants. It helps people better showcase and use their experience and talent, identify further training needs and take up opportunities for re-qualification.

Differences between education and training systems in the EU, however, make it difficult for employers to assess the knowledge and skills of people with a qualification from another country than their own.

Mobility across borders can help labour markets work well and opens up people's life chances. But low understanding and recognition of their qualifications means that EU and non-EU workers who move abroad often face more obstacles to find a job or are paid less than workers with comparable qualifications gained in the host country.

### **Improving transparency and comparability of qualifications**

At EU level, directive 2005/36/EC facilitates mutual recognition of professional qualifications and helps access to regulated professions and since January 2016 it

<sup>9</sup> Europe's Digital Progress Report 2016; SWD(2016)187.



provides for the first EU wide electronic procedure for the recognition of professional qualifications (so-called European Professional Card)<sup>10</sup> for five professions. The European Qualifications Framework for lifelong learning (EQF) was also established to make it easier to understand and compare what people have actually learned ('learning outcomes') while gaining their qualification.

The EQF encouraged actors from different national educational sectors to work together to design coherent national qualification frameworks based on 'learning outcomes'. A new impetus is required however, for the EQF to fully reach individuals and organisations, and serve as a basis for day-to-day decision-making on recruitments or access to learning, including via a reflection of the different ways in which learning takes place.

Several non-European countries have expressed interest in the EQF to enable their qualifications to be compared with European ones. This would help attract highly-skilled researchers and professionals from outside the EU to secure the skills needed in our economy and vice versa would make it easier for researchers and professionals in the EU to work outside the EU. This is in line with the ambition to have a smarter and well-managed legal migration policy<sup>11</sup>. The revision of the Blue Card Directive is particularly important in this respect<sup>12</sup>. A revised EQF would improve understanding of qualifications acquired abroad, and facilitate the integration of migrants – both new arrivals and those already residing in the EU – into the EU labour market.

5. *To make it easier to understand qualifications and related skills and contribute to their better use in the EU labour market, the Commission is putting forward a proposal for the revision of **the European Qualifications Framework**<sup>13</sup> (see ref. doc. COM(2016 383). The revision will:*

- ✓ *support a regular update of the national qualifications systems;*
- ✓ *ensure that qualifications with an EQF level are underpinned by common principles for quality assurance<sup>14</sup>;*
- ✓ *ensure that common principles for credit systems are used when qualifications with an EQF level are built on credits;*
- ✓ *encourage the use of EQF by social partners, public employment services, education providers and public authorities to support transparency and the comparison of qualifications;*
- ✓ *promote the comparability of qualifications between the countries covered in the EQF and other countries, in particular Neighbourhood Countries and other countries with mature qualifications frameworks, in accordance with EU international agreements,*

<sup>10</sup> Commission Implementing Regulation (EU) 2015/983 of 24 June 2015 on the procedure for issuance of the European Professional Card and the application of the alert mechanism pursuant to Directive 2005/36/EC of the European Parliament and of the Council; OJ L 159, 25.6.2015.

<sup>11</sup> European Agenda on Migration; COM(2015) 240 and Towards a reform of the common European asylum system and enhancing legal avenues to Europe; COM(2016) 197.

<sup>12</sup> Proposal for a Directive on the condition of entry and residence of third-country nationals for the purposes of highly skilled employment; COM (2016) 378

<sup>13</sup> Recommendation European Qualifications Framework for lifelong learning; OJ 2008/C 111/01

<sup>14</sup> Quality assurance principles at European level for general education are subject to ongoing discussions in the context of ET2020.

## Early profiling of migrants' skills and qualifications

Fewer non-EU than EU nationals residing in the EU have an upper (or even lower) secondary-level qualification. About 25% of the non-EU nationals are highly-skilled. However, within the group of highly-skilled, around two-thirds are inactive, unemployed or over-qualified for their jobs. In addition, some migrants already residing in the EU, as well as those recently arrived, including refugees, may have limited knowledge of the host country language.

Understanding the skills, qualifications and professional experiences of newly arrived migrants is a challenge for many EU countries. Tools developed through Europass<sup>15</sup>, the EQF and peer learning and exchange between Member States and competent authorities can support skills profiling and integration of migrants. Identifying migrants' skills early on can help determine the first steps needed to integrate them into their host society and the labour market. This may involve referring them to appropriate training (including language training, business training or apprenticeships available through the European Alliance for Apprenticeships), or to employment services.

6. *To more rapidly integrate third country nationals, the Commission will:*

- ✓ *launch a 'Skills Profile Tool for Third Country Nationals'. The tool will assist services in receiving and host countries to identify and document skills, qualifications and experience of newly-arrived Third Country Nationals.*
- ✓ *work with national authorities to support recognition of migrants' skills and qualifications, including refugees', support the training of staff in reception facilities to speed up recognition procedures, and promote the sharing of information and best practices on understanding and recognition of skills and qualifications.*
- ✓ *make available online language learning for newly arrived migrants, including refugees, through Erasmus + online linguistic support (100.000 licences for online language courses will be made available to refugees over three years).<sup>16</sup>*

### 2.3. ADVANCING SKILLS INTELLIGENCE, DOCUMENTATION AND INFORMED CAREER CHOICES

Policymakers and education providers need sound evidence of the skills which will be required in future to help them make the right decisions on policies and reforms, education curricula, and investment. But the rapid pace of change on the labour market makes it difficult to provide reliable information. Moreover, there is no one-size-fits-all solution: local and regional labour markets shape skills needs along with global trends, resulting in variations in the occupation-specific skills most in demand in different regions and/or economic sectors.

#### Better information for better choices

Whether seeking jobs or deciding what and where to learn, people need to be able to access and make sense of available skills intelligence. People also need appropriate means to (self-)assess their skills and to present their skills and qualifications effectively. Equally, employers and other organisations would benefit from more efficient and effective ways of identifying and recruiting people with the right skills.

<sup>15</sup> Single Community framework for the transparency of qualifications and competences (Europass); OJ 2241/2004/EC.

<sup>16</sup> The full range of action to aid integration of third-country nationals is presented in the action plan on the integration of third country nationals: COM(2016) 377.

The effectiveness of skills intelligence varies among EU countries. In some, partnerships between social partners, governments and education providers are already effectively identifying skills needs and adapting curricula accordingly. In others, partnerships are not yet the norm.

Cooperation is more effective when it builds on regional and local strengths and specialisms. Better local interaction between education and training on the one hand and the labour market on the other, supported by targeted investment, can also limit brain drain and help develop, retain and attract the talent needed in specific regions and industries.

7. *To help people make informed career and learning choices, the Commission will propose a **revision of the Europass Framework**<sup>17</sup> to set up an intuitive and seamless online service platform. It will provide web-based tools for documenting and sharing information on skills and qualifications, and free self-assessment tools.*

*Data on skills needs and trends will be improved by web crawling and the analysis of big data, and further underpinned by evidence from different sectors, bringing together accurate and real-time information in the service offered by the existing "Skills Panorama" tool as part of an integrated Europass service.*

8. *The Commission will further analyse the issue of **brain drain** and promote the sharing of best practice as regards effective ways of tackling the problem.*

### **Boosting skills intelligence and cooperation in economic sectors**

Current and future skills needs vary across different sectors of the economy. New sectors emerge or radically change, mainly but not exclusively driven by technological developments. The innovation-driven transition to a low carbon and circular economy as well as Key Enabling Technologies (KETs), such as nanotechnology, artificial intelligence and robotics, are transforming an increasing number of sectors. The supply of right skills at the right time is key for enabling competitiveness and innovation. The availability of high-end skills is also a critical element for investment decisions. With the pace of technological change, a major challenge for industry, in particular SMEs, is to better anticipate and manage the transformative change with regard to skills requirements.

Many sectoral - and regional - initiatives to promote skills have been launched, involving public and private bodies and organisations. But these projects often remain fragmented and their impact on the education and training system is limited. This is why the mobilisation of industry, including social partners, is indispensable for the design and the implementation of solutions. A strategic approach is, therefore, needed that addresses well-defined markets and sectoral skills needs.

To ensure long-lasting outcomes with a real impact, sectoral skills cooperation can usefully be linked to growth strategies for the sectors concerned, and backed-up by political commitment and stakeholder involvement at EU, national and regional levels.

<sup>17</sup> Single Community framework for the transparency of qualifications and competences (Europass); OJ 2241/2004/EC.

9. *To improve skills intelligence and tackle skills shortages in economic sectors, the Commission is launching a **Blueprint for Sectoral Cooperation on Skills**. It will help mobilise and coordinate key players, encourage private investment and promote more strategic use of relevant EU and national funding programmes.*

*Sectoral skills partnerships, in industry and services, will be set up at EU level and then rolled out at national (or, when relevant, regional) level to:*

- ✓ translate sectoral strategies for the next 5-10 years into identification of skills needs and development of concrete solutions, such as joint development of higher VET opportunities and business-education-research partnerships;*
- ✓ support, where relevant, agreements on the recognition of sectoral qualifications and certifications.*

*The Blueprint will be supported by existing EU funding<sup>18</sup> and initially piloted in a demand driven process in 6 sectors, with preparatory work starting in 2016: **automotive, maritime technology, space, defence, textile and tourism**. Additional areas (construction, steel, health, green technologies and renewable energies) will be assessed in a second wave of implementation starting as of 2017. The selection of sectors includes high-end technologies with a view to ensuring long-term competitiveness as well as more traditional sectors facing specific short- to medium-term challenges.*

### **Better understanding the performance of graduates**

Universities and VET providers prepare young people for working life. They therefore need to understand labour market trends, be aware of how readily their alumni find jobs, and adapt their programmes accordingly. Students and their families also need this information to make informed choices on what and where to study. However, adjusting curricula takes time and is a complex process.

Better information on the labour market outcomes or learning progression of higher education and higher VET graduates should be more easily available and comparable. It should draw on quality assurance indicators, administrative data (including tax and social security) and survey-based approaches exploiting social platforms / social media where appropriate.

Tracking mechanisms for tertiary graduates have been developed in a number of Member States. Systems for large-scale tracking of VET graduates are less well developed and, here too, there is scope for supporting Member States in improving information.

10. *To help students and education providers assess the relevance of learning offers, the Commission plans to propose as a first step in 2017 **an initiative on tertiary graduate tracking** to support Member States in improving information on how graduates progress on the labour market.*

<sup>18</sup> The Commission has engaged in the dialogue with specific sectors, collecting evidence of skills gaps and their potential impact on jobs, growth, innovation, and competitiveness. Based on this analysis and taking into account the strong political and stakeholder commitment at EU and national level, six sectors have been identified for a pilot phase.

### 3. ONGOING WORK: STEPPING UP THE PACE

The 10 key initiatives outlined above are part of an ambitious, long-term strategy to make sure people acquire the skills they need to thrive both in the labour market and in wider society.

Other work in progress at EU and national level will also help advance this Skills Agenda, increasing people's learning opportunities and making sure that education and training is fit for purpose in the 21<sup>st</sup> century. A particular effort is needed to help bridge the gap between education and training and the labour market. We need to further invest in the modernisation of VET and higher education, and fully exploit their potential as drivers for regional development.

#### 3.1. INCREASING LEARNING OPPORTUNITIES

##### **More work-based learning and business-education partnerships**

Work-based learning, such as apprenticeships are a proven springboard to good jobs and to developing labour market-relevant skills, including transversal and soft skills, where typically social partners play a key role. But more people should be able to benefit from this way of learning. Currently just a quarter of students in upper secondary vocational education attend work-based programmes, while general and higher education programmes rarely include any work-based experience. Business-education partnerships, involving all sectors and levels of education and training, can unlock this potential.

Some successful initiatives are showing the way, engaging labour market actors in education and training and helping young people get a foot on the jobs ladder. The European Alliance for Apprenticeships has so far mobilised 250,000 in-company training and job opportunities for young people. Through the European Pact for Youth, one million young people will be trained in digital skills, and a 'smart classroom' programme will reach 100,000 students. Through the Grand Coalition for Digital Jobs companies and other organisations have offered millions of additional training opportunities.<sup>19</sup>

At higher education and post-graduate level, the European Institute of Innovation and Technology (EIT) is an example of how cooperation with businesses and research institutes can foster curriculum development, mobility programmes and access to research and industrial infrastructure for practical training in a real-life environment.

These are positive signals but are clearly not enough. To help learners get more exposure to the world of work, **the Commission will develop a set of support services to facilitate knowledge sharing, networking and cooperation on apprenticeships.** It will back structural reforms through peer counselling and sharing best practices, including through social media.

**Social partners in several sectors, including commerce, construction and telecommunication, have reached joint positions on skills, including specific initiatives on traineeships. Several EU social partners in different economic sectors have also made joint pledges under the Alliance for Apprenticeship to provide more and better apprenticeships. This is also a priority in the European social partners' 2015-2017 joint work programme. The Commission will help social partners take forward the results of their joint projects, for example exploring the cost-**

<sup>19</sup> <http://www.linkedpolicies.eu/pledge>.

## **effectiveness of apprenticeships and establishing a possible Quality Framework for Apprenticeships.**

### **More support for learners' mobility**

More learners should be able to get the benefit of a learning experience abroad. Data show that young people who study or train abroad find employment much more quickly than those without international experience. They adapt more quickly to new situations and are better problem solvers. Recently the EU adapted its legal framework for non-EU students and researchers<sup>20</sup>, notably to make it easier to attract and retain these talented people.

Student mobility in higher education already has a long-standing tradition. To date, over 3 million students have taken part in the Erasmus programme. Mobility opportunities for initial vocational education and training (IVET) apprentices and learners are also supported under Erasmus+. However, mobility opportunities for learners are largely insufficient to meet current demand. Only a few countries include mobility opportunities in their national education, training and youth schemes.

Apprentices also benefit from learning and working abroad. In order to improve conditions for their mobility, the Commission is carrying out a pilot project commissioned by the European Parliament to assess the feasibility and benefits of longer mobility periods abroad (6-12 months) for apprentices.

EU budget support alone will never be sufficient. If Member States include mobility support in their national programmes this can assist a large share of young people to benefit from an experience abroad.

The quality of work or study placements is essential. Funding must go hand in hand with national policies and measures that encourage and value the learning acquired, and ensure the relevance and quality of the training. **In 2016, a VET Mobility Scoreboard will be launched to give a picture of the support measures in place across the EU and provide a good basis for identifying areas where more needs to be done.**

### **More learning at the workplace**

Most of the European workforce of the next two decades are already adults today. They need ongoing training to update their skills and exploit new career opportunities.

But only 1 in 10 adults currently participates in organised learning, most often those with higher skills levels and employees of large companies. In 2010, about one third of companies in the EU provided no training at all for their staff, while only about one third of employees engaged in some form of training. More recently, one quarter of employees reported that they had not developed their skills since starting their job.

More can be done to support learning environments at work and enable SMEs in particular to provide training, for example by making it easier to pool resources and infrastructure for joint training. European Structural and Investment funds are already available to support the modernisation of education and training infrastructure. **Together**

<sup>20</sup> Directive (EU) 2016/801 on the conditions of entry and residence for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing.

**with the European Investment Fund (EIF), the Commission is exploring the possibilities of further supporting bank loans at favourable rates to SMEs with a financial instrument specific for skills.**

### **More opportunities to validate non-formal and informal learning**

People should be able to use the full range of their skills for their careers or for further learning. Increasingly they learn and develop skills in a wide variety of settings beyond the formal education and training system, whether through work experience, in-company training, digital resources, or volunteering. These skills can be validated – through identification and documentation, assessment and certification, with options leading to a partial or full qualification.

However, in many countries there is a low level of awareness of validation possibilities and low acceptance of the concept. In some, validation is possible only in the context of specific projects; in others, the administrative costs are prohibitive.

**To help policymakers and practitioners establish national validation arrangements by 2018<sup>21</sup>, the Commission and Cedefop published guidelines on validation in early 2016 and will update them regularly. An update of the European Inventory of validation of non-formal and informal learning, which provides a snapshot of the situation in Europe and gives examples of good practice, will be published at the end of 2016.**

## **3.2. PURSUING MODERNISATION EFFORTS**

### **Supporting teachers and trainers**

Learners at all ages need excellent educators to develop the broad set of skills and attitudes they need both for life and future work. Variation in learners' achievements in education and training depends mainly on individual characteristics and family background. However, in educational institutions, it is teachers and trainers who have most impact on learners' performance. They can inspire and help learners to acquire higher and more relevant skills. They also play a key role in introducing new teaching and learning methods, in stimulating creativity and innovation, in overcoming biases and in bringing out the best in increasingly diverse classrooms.

The ageing of teachers is an alarming trend in many countries. As they retire, there is an increasing risk of loss of experience and staff shortages. Innovative recruitment, attractive working conditions, and retention policies are needed to create a new generation of teaching professionals. Developing the competences of teaching staff, including those who have been in the profession for a long time, is also an ongoing and increasingly urgent priority throughout the EU.

**The Commission will support the sharing of best practices in this area among Member States and stakeholders through cooperation and mobility opportunities. Particular attention will be given to innovation in pedagogy; this will include supporting flexible curricula, promoting interdisciplinary and collaborative approaches within institutions, and supporting professional development to enhance**

<sup>21</sup> Validation of non-formal and informal learning; OJ 2012/C 398/01

**innovative teaching practice, including ways of using and bringing digital tools into the classroom and stimulating entrepreneurial mindsets.**

### **Modernising higher education**

By 2025 almost half of all job openings in the EU will require higher qualifications, usually awarded through academic and professional programmes at tertiary level. Skills developed through these programmes are generally considered to be drivers of productivity and innovation. Graduates have better chances of employment and higher earnings than people with only upper-secondary qualifications.

A recent public consultation on the 'Agenda for the modernisation of Europe's higher education systems'<sup>22</sup> shows that over two thirds of students and recent graduates perceive a mismatch between the supply of graduates and the knowledge and skills the economy needs. Nearly half of higher education providers share this assessment. It also highlighted the need for higher education institutions to be active players at regional and national level, not only supplying qualified people to the labour market, but also promoting innovation.

Other important challenges identified by stakeholders include the impact of technology and globalisation on higher education, and the need to improve graduate learning and employment outcomes, to give prospective students better guidance and to encourage more multidisciplinary.

**The Commission will work with stakeholders to support the modernisation of higher education, building on the results of the public consultation. This will include in particular the development of competence assessment frameworks for different higher education disciplines to allow comparable assessment of students' and graduates' skills.**

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## **4. DELIVERING THE AGENDA**

The New Skills Agenda sets out a joint agenda for the EU, the Member States and stakeholders at all levels. The goal is to reach shared vision and commitment to work together on improving the quality and relevance of skills formation in order to keep step with the rapidly changing skills requirements of the labour market, equip everyone with a minimum set of basic skills and make qualifications easier to understand, helping workers and learners to move around more easily within the EU.

Social partners will have a central role to play in the successful development of this agenda, building on initiatives at European and national level, drawing on specific sectoral expertise and working within sectors and across industry.

The European Semester of economic policy coordination will continue to play a key role in monitoring policy reforms on education, training and skills. The EU will assess Member States' reform efforts through its country specific analysis, the promotion of mutual learning and evidence based policy making. To help design and implement reforms, the Commission, in cooperation with OECD, will assist Member States in developing national skills strategies and action plans based on a whole-government approach.

<sup>22</sup> Supporting growth and jobs – an agenda for the modernisation of Europe's higher education systems; COM (2011) 567 final



One of the chief goals of the New Skills Agenda is to raise political awareness of the critical importance of skills for Europe's jobs and growth prospects, and to address this issue at the highest political level. To sustain the political momentum, the Commission will examine ways to report on a regular basis on the progress made. These reports could inform the preparations of the European Semester as well as policy debates at the European Council.

The Commission will also engage in a more in-depth dialogue with Member States on how to best use the opportunities offered by existing funding programmes to meet the Agenda' objectives. The main instruments concerned are the European Social Fund (ESF), the European Regional Development Fund (ERDF), the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF), the Asylum, Migration and Integration Fund (AMIF), Horizon 2020 and Erasmus +. The potential of the EIB and other financial organisations and products - including the European Fund for Strategic Investments – should also be used to the full to boost private-sector investment in skills development.

At the occasion of the mid-term review of the multi-annual financial framework 2014-2020, the Commission will examine potential adjustments needed to achieve the objectives of the Agenda. Looking further ahead and beyond 2020, the Commission will promote a debate on the different funding instruments to support skills.

Simplification of the current governance structures would support more coordinated implementation of some of the initiatives proposed in this Agenda. A first step will be streamlining a number of expert groups at EU level dealing with skills and qualifications, without prejudice to the existing governance currently in place for the regulated professions. Further steps would be taken, based on an evaluation of existing governance structures. Coordination and coherence will be ensured with the ET 2020 strategic framework for European cooperation in education and training<sup>23</sup> and its recently adopted policy priorities<sup>24</sup>. Similarly, coordination among the EU-supported national contact centres for EQF, Europass and Euroguidance. will be stimulated to encourage a single interface for several European initiatives on skills vis-à-vis national stakeholders and to facilitate access for users. This simplification will be pursued in consultation with Member States.

The Commission invites the European Parliament and the Council, the European Economic and Social Committee and the Committee of the Regions to endorse this Agenda and to actively support its implementation, in close cooperation with all relevant stakeholders. The Commission is committed to promoting a continuous consultation and dialogue on the Skills Agenda with a wide range of stakeholders and the general public.

<sup>23</sup> Strategic framework for European cooperation in education and training (ET 2020); OJ 2009/C 119/2

<sup>24</sup> New priorities for European cooperation in education and training; OJ 2015/C 417/04

**ANNEX**

**LIST OF ACTIONS AND INDICATIVE TIMELINE**

<b>ACTION</b>		<b>TIMELINE</b>
<b>Improving the quality and relevance of skills formation</b>		
Strengthening the foundations: basic skills	Commission proposal for a Council Recommendation on establishment a Skills Guarantee (see ref. doc COM(2016) 382)	<b>June 2016</b>
Building resilience: key competences and higher, more complex skills	Commission proposal to review the Key Competences for Lifelong Learning with a special focus on promoting entrepreneurial mindsets, and the accompanying European Reference Frameworks	<b>4<sup>st</sup> Quarter 2017</b>
Making VET a first choice	Commission proposals supporting VET modernisation, such as possible revision of the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET) and the European Credit System for Vocational Education and Training (ECVET)	<b>2<sup>nd</sup> Quarter 2017</b>
Getting connected: focus on digital skills	Launch of the "Digital Skills and Jobs Coalition"	<b>End 2016</b>
<b>Making skills and qualifications more visible and comparable</b>		
Improving transparency and comparability of qualifications	Commission proposal for the revision of the European Qualifications Framework (see ref. doc. COM(2016) 383)	<b>June 2016</b>
Early profiling of migrants' skills and qualifications	Launch of the " Skills Profile Tool for Third Country Nationals"	<b>June 2016</b>
<b>Advancing skills intelligence, Documentation and informed career choices</b>		
Better intelligence and information for better choices	Commission proposal for the revision of the Europass Framework for the provision of better services for skills and qualifications	<b>3<sup>rd</sup> quarter 2016</b>
Better intelligence and information for better choices	Further analysis and sharing of best practice to tackle brain drain.	<b>End 2016</b>
Boosting skills intelligence in economic sectors	Launch of a Blueprint for Sectoral Cooperation on Skills	<b>June 2016</b>
Better understanding the performance of graduates	Commission proposal for a an initiative on Graduate Tracking	<b>2<sup>nd</sup> Quarter 2017</b>