

Meeting of the chairpersons of the Committees on Social Affairs and Labour: Employment incentives to implement the Europe 2020 strategy

"Developing better matching between labour market needs and youth skills"

Vilnius, 11 November

Delivered by Pierre Mairesse, Director, in European Commission's General Directorate in charge of Education and Culture

"Developing better matching between labour market needs and youth skills"

Vilnius, 11 November

Ladies and Gentlemen,

- Like Commissioner Andor has so clearly stated this morning, youth unemployment is unacceptable. We are committed to work with you in order to minimise the consequences of the drama;
- Youth unemployment is not just a waste of resources today. It may lead to a decrease in individuals' skills which are our resources of tomorrow;
- Skills are indeed at the centre of the problem. Supporting citizens in acquiring (and validating) the right skills, is the

only way to enhance their employability and enriching their lives.

What is the priority for the European Commission?

- That is the reason why at the Commission we are ever more engaged in the promotion of the adequate policy tools to reduce the gaps between skills demand (labour market needs) and skills supply (the education and training outcomes);
- This is the priority of priorities. It does not mean that education is not important for the transfer of knowledge or personal development, but the first risk in this period of crisis is not delivering the right skills for the right jobs.

And the diagnosis is severe

- The gap is unbearable: over 23% of European young people are unemployed, while employers struggle to fill two million job vacancies.
- The results of the last OECD Survey (PIAAC) demonstrate that 20% of the population is equipped with very low skills.

- Reducing this gap and enhancing matching, requires actions in two separate lines:
 - On the one side making sure that education and training systems provide the right skills individuals will need;
 - On the other we must work on the transparency to ensure that those skills are understandable and recognisable by the employment market.

What can the European Union do?

- **Addressing the supply of skills** - we need to ensure our education and training systems are student and skills centred. Obviously, education and training are firstly and predominately national competencies but the EU can, through policy and financial investment, support the Member States.
- **Rethinking Education** is our strategy there. We want to cooperate with Member-States in improving the way that our citizens teach and learn.
- Partnerships play an extremely important role in this process. If we want the right skills and the right jobs to match and thus help young people achieve autonomous lives, the dialogue between policy makers, education providers, employers, and other actors, is key.

- It is necessary to create partnerships between the world of education and those responsible for the labour market as well as with the business.
- A concrete example: the Commission is going to actively promote partnerships between education, business and research to better adapt education and training systems to the needs of employers. Erasmus+ will support national-level efforts such as Knowledge Alliances which are meant to stimulate the sharing, exchange and flow of knowledge between higher education institutions and enterprises.

..and in this context vocational training needs particular attention

- For better employability it is also important that VET systems have an integrated dual approach: allowing both classroom and workplace learning. Statistics show that countries with such VET systems suffer from lower youth unemployment today. Two such examples are Germany and Austria, with their world-class VET systems, and around 8% youth unemployment.
- To support these endeavours and a sharing of good practice, an EU Alliance for Apprenticeships was launched in July 2013. All stakeholders with a keen interest and ideas to share are invited to this common effort to

strengthen VET and pair up school learning and hands-on experience, both useful for later employment.

- Erasmus+ funding will be provided to Sector Skills Alliances, uniting training institutions, enterprises and professional organisations, to design curricula and training programmes, also at the national level.
- Moreover, entrepreneurial mind-set matters – not only for setting up businesses. The EC is working to improve the quality and quantity of entrepreneurship education across the EU, such as through the collaborative projects with OECD on guidance frameworks to develop and support more entrepreneurial education institutions; and tools to monitor progress and the acquisition of entrepreneurial competences, through collection of analytical data from Member States, peer reviews and other tools.

On the strategic importance of new technologies

- Rethinking Education is complemented by our most recent initiative: Opening up Education. In order to be able to provide the skills for tomorrow's - and today's jobs-, we need to fully exploit the potential of technology in making education more effective and equitable. We must ensure that more people have access to more knowledge.

- In this line, our hosts today are an example of engagement. Minister Pavalkis has gone so far as to make an inventory of all bachelors' programmes in Lithuania, asking the universities which percentage of them could be replaced by MOOCs in the next ten years.

..and Skills intelligence

- It is a pity to see that we lack 900,000 IT professionals in Europe without having anticipated this need.
- An important tool to provide such intelligence to key stakeholders is the EU Skills Panorama, online since late 2012 and available at euskills Panorama.ec.europa.eu. It gives a detailed picture of skills mismatches across countries and economies' sectors. It wishes to help bridge the transition between the worlds of education and work, and to help find the right labour force for the right jobs. The Panorama will certainly support organisations and Member-states to take better informed decisions.
- The launch of ESCO – The European Skills, Competences and Occupations taxonomy, which occurred on the past 24th October, will certainly contribute to a better understanding of the different skills missing for the occupations with vacancies to be filled.

Another added value of the European Union is to facilitate mobility

- Finally the work we are pulling together with different tools for validation and recognition of skills and competences is also essential to ensure that individuals are capable to demonstrate their full potential to the labour market. (National Qualification Frameworks, Europass, European Credit Systems).
- We want to propose a real European Area of Skills and Qualifications for the freedom of movement of workers and learners and for the pathways between educational sectors.

How to act at the European Level?

- To implement such a "Rethinking Education" strategy we use European political tools, such as the Country Specific Recommendations in the context of the Europe 2020 strategy for growth and jobs
- We also use our cooperation method which is now well established in the field of education and training (Peer Review, Monitor of Education and Training, Forum....)
- As already mentioned, we will reinforce partnerships and mobility in the forthcoming Erasmus+ programme

- And finally, Education and Training is a priority for the new structural funds system which will be in place at the beginning of next year, notably to support the Youth Guarantee.

Thank you for your attention.