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NOTE

from : Employment Committee

to : Permanent Representatives Committee (Part I) / Council (EPSCO)

Subject : **EMCO opinion on Skills and Mobility**

Delegations will find attached an opinion of the Employment Committee, presented with a view to the session of the Council (EPSCO) on 8/9 June 2009.



EMCO opinion on Skills and Mobility

Challenges

Geographical, occupational, sectoral and social mobility and skills development strategies are crucial for confronting the crisis, paving the way for recovery, and easing the restructuring processes. In Europe, areas of persistent high unemployment co-exist with skills shortages and bottlenecks even in times of crisis. Investing in human capital and greater labour force mobility can be mutually reinforcing as a way of taking full advantage of untapped employment opportunities, and could facilitate the move towards a green economy. It can lead to increased labour market participation, a closing of labour market gaps and reduced labour market segmentation.

The policy challenges on labour market and skills needs are well known to the Employment and Social Policy Council. At its meeting on 9th March, EPSCO adopted conclusions on anticipating and matching labour market and skills needs, and on the professional and geographical mobility of the workforce and the free movement of workers.

Levels of mobility remain low within the EU labour force. This is a consequence of existing labour market imperfections or bottlenecks as well as institutional, social, and cultural factors related, for example, to lack of information; the recognition of both formal qualifications and informal skills; the transferability of social security rights; age; gender; household structure; education including linguistic skills; previous experiences of mobility; and access to housing but also the non-inclusive national labour markets in which skills and experience gained abroad, in another EU country, are not recognized by employers.

Simultaneously, there is a growing need for up-skilling and improved skills matching, as well as a demand for workers with transversal key competencies. Skills upgrading facilitates job-to-job transitions as well as from unemployment to employment. This supports the need for EU Member States to strengthen the effectiveness of active labour market policies and lifelong learning strategies, to enhance occupational and geographical mobility, and to develop new skills as well as innovation and entrepreneurial potential.

Policy recommendations

Promotion of occupational, sectoral, geographical and social mobility, in accordance with the Treaties, as well as the removal of obstacles to the free movement of workers, are necessary to better match the skills of European citizens with the demands of EU labour markets.

The Committee, underlining the importance of increasing efforts at national and EU levels to promote skills upgrading and mobility, recommends the following actions:

- *Strengthening the institutional framework for mobility*

An environment that facilitates the reallocation of labour benefits all, especially those coming from a different sector or those who are furthest from the labour market. The implementation of **integrated flexicurity approaches** is key to reinforcing incentives for transitions and cushions the potential costs of forced mobility.

Upgrading skills for everyone, of all ages and levels, and providing quality education is critical. The improvement of people's capacity to adapt to change is key for Europe's short-term recovery and longer-term growth and competitiveness, as well as for equity and social cohesion. Particular focus should be placed on low-income and/or low skilled workers to improve their take-up of learning activities. The economic downturn reinforces the need to rapidly enhance and **improve the effectiveness of all such policies.**

Efforts should be underpinned to stimulate greater investment in training by enterprises, and more adult participation in lifelong learning. Greater effort to achieve better quality training will be necessary, and the anticipation and forecasting of labour market changes could be better integrated into private sector human resource management.

Employment Services (ES) are key actors in fostering mobility and upgrading the skills of jobseekers, together with companies, social partners, and other service providers. Closer cooperation amongst the network of ES is crucial. The effectiveness of ES should be strengthened to support workers in moving from locally declining to expanding sectors, while capitalising on their sector-specific skills. They must also focus on how mismatches are being addressed through EURES and other matching instruments. It should be noted, however, that ES cannot in the area of skills enhancement compensate for deficiencies in the ordinary education systems.

- *Developing effective information networks and tools*

Improving skills anticipation and matching is central to addressing both the employment impact of the crisis and the long-term prospects of the EU workforce. Availability and visibility of information about sectoral, national, and trans-national job opportunities are key to establishing an environment that creates opportunities for mobility.

The Committee strongly encourages these improvements in information which can be supported by the initiatives "Match and Map" and "European Dictionary of Occupations", proposed by the Commission in its communication on "New Skills for New Jobs. The Committee also encourages the Commission to help the development of work undertaken at European level, mainly by Cedefop, to facilitate the exchange of best practice in anticipation and matching between Member States.

- Easing other mobility barriers

Further action is necessary to facilitate the **transparency and recognition of qualifications**, as well as the portability of **social security rights**.

Promotion of language capacity, as well as access to services and affordable housing, should be part of comprehensive national policy approaches to promote the integration of mobile workers into the labour market and society. Any such policy should also be cognisant of potential negative attitudes and inequality towards foreign workers, which can be heightened during times of crisis.

The mobility of people undergoing work-related training, especially apprentices, is essential.

In this respect, further policy learning could be promoted through the wider dissemination of positive examples of mobility such as the student mobility programme Socrates-Erasmus. EU involvement is also needed to support national efforts to remove barriers to mobility: the Community Lisbon Programme could underpin the search for new ideas on how to improve the functioning of the labour market.

EMCO next steps

In line with the EPSCO Council conclusions and with the above, the Employment Committee will use its work programme to help deliver these outcomes. In particular, it will:

- Play its role in facilitating the exchange of best practice in anticipating and matching between Member States, to help deliver the actions announced in the New Skills for New Jobs Initiative.
- Disseminate from the Mutual Learning Programme and the so-called Cambridge review on National Reform Programmes what lessons can be shared on improving skills and mobility;

- Consider results of the structural indicator on adult participation in lifelong learning during its discussions of the national economic recovery measures; and
- Pursue closer cooperation with the network of Public Employment Services (PES) and liaise with the Education Committee primarily, but also with the Economic Policy and Social Protection Committees on the issues related to labour market mismatches.
