

Investing in New Skills, Competences and Knowledge

SOLIDAR's Analysis of the Commission's Agenda
for New Skills and Jobs



TABLE OF CONTENTS

Foreword	3
Executive Summary	4
Background	6
SOLIDAR Analysis	8

Responsible Editor: Conny Reuter

Authors: Maurice Claassens (maurice@solidar.org) / Adeline Otto (adeline.otto@solidar.org) /
Francesco Zoia Bolzonello (infosocial@solidar.org)

SOLIDAR is a European network of 52 NGOs
working to advance social justice in Europe and worldwide.

SOLIDAR lobbies the EU and international institutions in
three primary areas: social affairs, international cooperation and education.

© SOLIDAR
Published March 2011

WWW.SOLIDAR.ORG

FOREWORD

In these times of austerity measures, SOLIDAR calls for the Commission's "Agenda for New Skills and Jobs" to be used in a more prominent manner as a way out of the crisis, in which skills, competences and knowledge learnt through non-formal and informal learning are better recognised.

SOLIDAR shares the Commission's objective of bringing people into employment by investing in the development of skills, competences and knowledge - which includes investing sufficient means - but stresses that social, health and education services and infrastructures, providing personal professional and vocational training, non-formal and informal learning, counselling and careers guidance, are crucial to empower people to participate fully in society. In addition, to reduce poverty and social exclusion and promote social cohesion, it is essential that everyone has equal access to quality 'public' education and training, without distinction between cultural or social origin.

In SOLIDAR's view, more attention must be given to non-formal and informal adult education and training (prior learning) and to specific educational provisions for socio-economically vulnerable groups such as working poor, young people, migrants, women etc.

In this respect, **it is essential that skills, competences and knowledge acquired through non-formal and informal learning are recognised as part of the strategy to bridge education 'gaps' and hence contribute to increasing people's life opportunities.** New legal structures and policy frameworks have to be developed, in full cooperation with the social partners, which take into consideration both 'soft' and 'hard' skills. This helps reduce the risk of unemployment for those that have skills but not the paper qualifications and avoids the repetition of learning which has already been done. But above all it is about guaranteeing to individuals the chance to fully participate in society and play an active role in it; this increases people's life opportunities.

SOLIDAR's members are workers' education associations, trade union education institutes and popular education movements; powerful actors promoting learning for adults on local and national level and working together for socially cohesive Europe. To give examples ABF (Sweden) organised in 2009 alone over 90,000 study circles for more than 750,000 people; AUSER (Italy) has 260,000 members with 40,000 volunteers providing continuous learning through the Università Popolare (UNIAUSER); DGB Bildungswerk (Germany) has 30 years of experience in vocational training to trade unionists; and La Ligue de l'Enseignement has been working for over 140 years for everyone to be able to access education, encouraging popular education and permanent education all over France.

Together we can be a force for change!

Conny Reuter
SOLIDAR Secretary General

EXECUTIVE SUMMARY

Almost 84 million people in Europe are living in poverty or at the threat of falling into poverty. 77 million Europeans aged 25-64 (nearly 30%) still have, at most, a lower secondary education. Non-formal and informal education and training (prior learning) play a key role in skills development, as well as in promoting active inclusion and social cohesion. SOLIDAR regrets that the Commission's "Agenda for new skills and jobs" gives priority to job creation via flexibility measures, and in second place identifies the development of skills, competences and knowledge and promoting decent work and quality.

SOLIDAR proposes the following adjustments to reinforce the Commission's Agenda for new skills and jobs:

1. Guaranteeing **equal access to quality public education** without distinction of cultural or social origin. Informal and non-formal education and training (prior learning) contributes to upholding this principle.
2. **Migrants need to have access to decent working and living conditions**, including access to social and healthcare services and education and training. Key to the success of integration is the promotion of intercultural dialogue and intercultural learning.
3. It is essential that **skills, competences and knowledge** acquired through non-formal and informal learning are **recognised and validated** as part of the strategy to bridge education 'gaps' and hence contribute to increasing people's life opportunities. New legal structures and policy frameworks have to be developed, in full cooperation with the social partners, which take into consideration **both 'soft' and 'hard' skills**. Furthermore, individual competence assessment programmes have to be developed that serve equally the purposes of improving skills, competence and knowledge; contributing to solving labour market restructuring and adaptation problems; as well as ensuring participation in society and fostering active citizenship.
4. **Rebalancing flexicurity by giving more importance to social security**. The proliferation of "atypical" employment contracts in most Member States has contributed to aggravate labour market segmentation and to reduce the security of the most vulnerable and disadvantaged employees. In this context, social security systems should be modernised in way that guarantees active inclusion by guaranteeing poverty-proof income support, access to decent work and to affordable quality services. This includes improving the benefits coverage for those most at risk of unemployment, like young people in their first jobs or the self-employed.
5. **Promoting decent work and quality jobs** which means equal access to employment (equal pay, equal treatment/opportunities), education and training, non-discrimination, a living wage, social dialogue, individual and collective labour rights, social security (against reduction or loss of income) and social protection. This includes the need to support social, care and education services and infrastructures to bridge skills gaps and help especially vulnerable people in realising their participation in the labour market and in society.
6. **Support Member States in creating health, care and green jobs by ensuring that European structural funds (European Social Fund and European Regional Development Fund) are invested into social, health, care and education services and infrastructures, and by providing services providers with a long-term fiscal sustainability that goes beyond EU funding periods**. Further, the innovative potential of the social economy in creating employment opportunities and contributing to social cohesion should be developed. The social economy (which includes cooperatives, mutual societies, associations and foundations) plays an especially valuable role in creating sustainable employment and growth while combating poverty and exclusion.

In SOLIDAR's view, investing in skills, competences and knowledge and recognising and validating both 'soft' and 'hard' skills, competences and knowledge acquired through informal, non-formal and vocational education and training is necessary to contribute to fighting education 'gaps' and hence contributing to increasing people's opportunities to access the labour market and to participate in society (active citizenship, volunteering). This approach must be the first priority in the Commission's Agenda for new skills and jobs.

I. BACKGROUND

The economic and financial crisis registered a sharp increase in unemployment: within the EU 27 levels rose from 6.8% in January 2008 up to 9.5 % in January 2011, meaning 23 million people of the active EU population were unemployed. Almost 84 million people in Europe are living in poverty or at the threat of falling into poverty. 77 million Europeans aged 25-64 (nearly 30%) still have, at most, a lower secondary education. Only 9.5% of this age group participated in education and training in 2008 lagging behind the 2010 benchmark of 12.5%. Those with low qualifications are much less likely to participate in up-skilling and lifelong learning¹.

Unfortunately the reality in most European Member States show a deterioration in education and training: since the outbreak of the financial crisis, an Educational International study² puts forward that Member States have cut investments in education and training mostly as a result of a reduction in overall government expenditure on education. This study showed considerable cuts in Austria, Finland, Germany, Italy, Norway, Poland, Spain and UK in 2009, with the expectation of spending reductions in Belgium, Cyprus, Denmark, Netherlands, Malta, Portugal, Sweden and Switzerland.

To address these challenges and to reach the target of 75% employment by 2020, the European Commission adopted in November 2010 the Communication “An Agenda for new skills and jobs”, as one flagship initiative put forward to catalyse progress under the EU 2020 Strategy - for a smart, sustainable and inclusive growth.

The aim of the Commission’s Agenda is to deliver high levels of employment and social cohesion by setting out 13 key actions to:

1. Reform labour markets and to review flexicurity strategies.
2. Provide people with the right mix of skills and matching them with market demand.
3. Improve job quality and working conditions.
4. Develop stronger policies for job creation and labour demand.

SOLIDAR welcomes that the flagship initiative puts forward the need to develop skills, competences and knowledge, but raises concerns about the actions outlined ‘to boost a job-creating recovery and to bridge education ‘gaps’ due to globalisation, technological and organisational change’. The ability of the European Union to ensure active inclusion as well as the promotion of innovation and the quality of work, will greatly influence its overall capacity to foster job-driven recovery and social progress in the years to come. The following paragraphs analyse the key policy measures proposed and add SOLIDAR’s recommendations.

¹ 2010 Joint Progress Report of the Council and the Commission on the implementation of the ‘Education and Training 2010 Work Programme’.

² Education International (2009) The Global Economic Crisis and its Impact on Education, Brussels.

II. SOLIDAR'S ANALYSIS

1. PROMOTING SKILLS, COMPETENCES AND KNOWLEDGE

Non-formal and informal education and training (prior learning) play a key role in skills development, as well as in promoting active inclusion and social cohesion. Thus, SOLIDAR regrets that the Commission's Communication gives priority to job creation via flexicurity measures, and identifies the development of skills, competences and knowledge only as a secondary importance.

As put forward in the Agenda, it is of great importance to improve access to lifelong learning, to provide more vulnerable people with training, qualifications, skills upgrading or re-skilling and to fight against early-school leaving. To that end, SOLIDAR stresses that the principle of equal access to quality public education without distinction between cultural or social origin can help to reduce poverty and social exclusion and increase life and employment opportunities. Informal and non-formal education and training (prior learning) contributes to upholding this principle.

Focusing on the provision of the right mix of **'hard' skills**, such as digital and transversal competences, languages and media literacy and **'soft' skills**, such as personal, social and cultural competences, is crucial to improve people's job opportunities, as well as addressing the mismatch between skills demand and supply. Unfortunately, given the projections on high skills which will be required for future jobs, the Commission does not specifically address the need to enhance personal, social and cultural skills, competences and knowledge, such as taking responsibility, analysing and organising complex information, taking decisive actions, working in a multicultural environment, volunteering, cultivating social and self-competences.

Moreover, it is essential that skills, competences and knowledge acquired through non-formal and informal learning are recognised and validated as part of the strategy to bridge education 'gaps' and

hence contribute to increasing people's life opportunities. This helps reduce the possibility of unemployment for those that have the skills but not the paper qualifications and avoids the repetition of learning which has already been done. To that end new legal structures and policy frameworks have to be developed in full cooperation with the social partners, that take into consideration equally 'soft' as 'hard' skills.

The Commission's proposals of encouraging employees to co-invest and participate in education and training institutions' activities requires the development of a system for the recognition of prior learning in non-formal and informal learning environments, through a number of key competences like democratic skills, civic literacy, social skills, intercultural competences, learning skills, communicative competences and organisational and management skills.

Furthermore, individual competence assessment programmes (IKV) have to be developed that improve skills, competences and knowledge, contribute to solving labour market restructuring and adaptation problems, give adults the possibility of upgrading their competences for the labour market, as well as their personal competences through possibilities to obtain further skills, competences and knowledge in non-formal and informal education and training and vocational education and training.

SOLIDAR therefore looks forward to the Commission Communication on the implementation of lifelong learning strategies and competence development (Key Action 2). Last but not least, SOLIDAR highlights that lifelong learning must go beyond "equipping people with the right skills for employment". Tackling skills and opportunity gaps should not be reduced to developing job-based skills and competences. It is also about personal development and capacity building which facilitate societal participation and active citizenship. To this end, the aim of learning is to develop skills, competences and attitudes "to be", "to know", "to do" and "to live together" through formal, non-formal and informal learning.

2. UNLOCKING THE SKILLS POTENTIAL OF MIGRANTS

If the aim is to boost skills development, SOLIDAR wonders why the Commission, on the basis of the evaluation of the Professional Qualification Directive, will only “consider the possibility” of presenting proposals or helping reform systems for the recognition of professional qualifications (Key Action 6)? This query also occurs when the Commission addresses the reduction of migrant ‘brain-waste’ and the removal of working barriers such as the non-recognition of skills and qualification of migrants. Why is the Commission only suggesting the launch of a New Agenda for the Integration of Third Country Nationals (Key Action 7) and will it only “consider the possibility” of proposals to help improve the enforcement of EU migrant workers’ rights in relation to the free movement of workers principle (Key Action 8)? This is clearly insufficient.

Within the EU acquis on legal migration, legal provisions exist for the most “acceptable” types of migrants, such as high-earning (high-skilled) professionals and migrants admitted on long-term contracts. SOLIDAR outlines that there is still no proposal for a directive on the conditions of admission of third-country nationals for the purpose of training, as foreseen by the Policy Plan on Legal Migration in 2005. SOLIDAR also regrets that there is no reference about the phenomena of “brain drain” that should be addressed by implementing an equal treatment of migrant workers, access to professional and vocational training and further education, as well as by development policies improving the economical and social situation in the countries of origin.

Real integration is about migrants having equal opportunities both in social and civic terms. In social terms, it is about the opportunities to lead a dignified, independent, active and decent life, like the rest of the population. In civic terms, it is about all residents committing themselves to mutual rights and responsibilities on the basis of equality. This ranges, for example, from the reception of migrants, to the provision of key services like healthcare, education and training (also for undocumented migrants) and the possibility to obtain the citizenship of the host country (right to vote in local elections, contested ‘citizenship tests’).

Migrants need to have access to decent working and living conditions, including access to social and

healthcare services and education and training, this includes: promoting the participation of migrants in the sphere of employment by ensuring their right to seek jobs and enjoy full trade union rights, guaranteeing undocumented migrants’ access to basic services and ensuring migrant children access to free and quality education, providing services to attend to the specific needs of the most vulnerable migrant workers (women, children and the elderly) and providing intercultural training especially for health, care and education workers where there is a significant proportion of migrant labour.

Key to the success of integration is the promotion of intercultural dialogue and intercultural learning. SOLIDAR stresses that integration can only be successfully achieved by providing migrants with decent working and living conditions³.

³ Read more in SOLIDAR’s report on “International Migration: The Search for Decent Work”, available on http://cms.horus.be/files/99931/MediaArchive/Migration_report_web.pdf

3. STRENGTHENING THE SECURITY COMPONENT OF FLEXICURITY

Beginning the communication on new skills and jobs with the statement that «flexicurity policies helped weather the crisis» ignores the fatal social impact of the economic and financial crisis. SOLIDAR's case study on flexicurity in Estonia shows that flexicurity has not proven to be an efficient tool for recovery, especially in countries lacking strong social security systems, recognition of trade unions as social partners for an effective social dialogue and state support for employers in retraining their employees.⁴

By the same token, SOLIDAR remains critical on whether the “EU Common Principles for flexicurity are well-balanced” and is not convinced by the actions proposed to strengthen flexicurity components which do not give security the proper weight to counterbalance flexibility.

On the one hand, SOLIDAR fully supports increasing the weight on internal flexibility in times of economic downturn, consisting in working time flexibility, like short-time and (non imposed) part-time work, or functional flexibility, like internal job changes, flexible work organisation and on-the-job learning. On the other hand, SOLIDAR is following the discussion developed around open-ended contracts, on whether this type of contractual agreement will actually jeopardise equal treatment at work, water down the rights of permanent contractual workers and help reducing the gap between regulations for temporary and permanent contracts.

Concerning Active Labour Market Policies (ALMP), SOLIDAR supports the idea of implementing measures focusing on hard-to-place workers such as low skilled people but rejects any plans to strengthen the conditionality of unemployment benefits by linking them with ALMP. This could easily make unemployed people accept any measure (training schemes, employment subsidies etc.) regardless of the individual's qualifications, and endanger existing jobs.

Further, SOLIDAR shares the Commission's suggestion to modernise social security systems by

improving benefits coverage for those most at risk of unemployment, like young people in their first jobs or the self-employed. However, instead of adjusting benefit systems to the business cycle, SOLIDAR calls for guaranteeing their “poverty-proof level”, providing people with access to affordable quality social and education services with the means to actively participate in society.

⁴ Saharov, Juhan and Morozov, Jana (2010). *Employment Contracts Act: is flexicurity doing its job?* Brussels: SOLIDAR, JMK
http://cms.horus.be/files/99931/MediaArchive/14_Solidar_BrochEstonia.pdf

4. PROMOTING DECENT WORK

SOLIDAR fully supports the Commission's position to improve the quality of work and working conditions. Increasing job quality and promoting decent work is among SOLIDAR's key priorities, sharing the view whereby high levels of job quality are associated with high employment participation. For this reason, it is time for the Commission to publish the proposed final evaluation of the EU Strategy 2007-2012 on Health and Safety at Work and a follow-up Strategy for the period 2013-2020 (Key Action 10).

Yet, SOLIDAR emphasises that quality jobs and decent work are concepts which encompass much more than safe and healthy working conditions. They entail equal access to employment (equal pay, equal treatment/opportunities), training/lifelong learning, non-discrimination, a living wage, social

Further, there is also a lack of clarity concerning the announced review of the Working Time Directive, as there is no indication whatsoever on the topics and salient issues currently under vivid debate. In this context, SOLIDAR calls for the health and safety of workers to be maintained as a primary goal, unambiguous European minimum standards on working time, respect of on-call work as working time, an end to the opt-out to provide a solid basis for negotiated solutions, no prolongation of reference periods without sufficient safeguards, equivalent compensatory rest and maximum working time to be counted per worker and not per contract.

dialogue, individual and collective labour rights, social security (against reduction or loss of income), social protection together with access to affordable and high quality services.

As a consequence, SOLIDAR voices its concern about the intention to have a legislative proposal aiming only at improving the implementation of the Posting of Workers Directive (Key Action 9). This is clearly an insufficient and inadequate measure, as there is the need for a broad, wide ranging review of the directive that could establish equal treatment between posted and domestic workers, reversing the European Court of Justice rulings and changing the balance between fundamental freedom to provide cross border services and the obligation to guarantee rights' protection of workers temporarily posted abroad.

5. CREATING NEW QUALITY JOBS

SOLIDAR shares the view whereby the Commission has specifically addressed that “recovery must be based on job-creation”, bearing in mind that job creation also depends on the labour market policies implemented at national level. To that end it is important to reiterate that the Europe 2020 Strategy aims to have 75% of the 20-64 year-olds in employment by 2020 and at least 20 million fewer people in or at risk of poverty and social exclusion.

Yet, the Commission remains silent about the quality or the nature of these jobs. In spite of recognising the shortage of 1 million professionals in the health sector, of 500,000 practitioners in the ICT sector, and the ambition to have 3 million green collar workers by 2020, the Commission does not specifically address Member States to invest in health, care and green jobs.

However, it does speak about the importance of incentives to shift jobs from the informal to the regular economy, citing as an example the development of regular employment in domestic, social care and other not-for-profit activities, which are the ones furthest away from the regulated labour market.

In the next 10 years, high level jobs such as professionals, managers and technicians, requiring knowledge and skills-intensive capacity, will increase by 8.5 million. In addition, elementary, retail and distribution jobs are also expected to increase by around 2 million. At the same time, a 1 million jobs decline is expected for manual occupations, such as traditional agricultural, machine operators, craft and trade related-positions. This entails a risk of job polarisation, as occupational structure changes have increased the demand at the lowest employment cluster (low qualified) and the upper one (high qualified), with stagnation or decreases in between.

The Commission does not take such developments into consideration, suggesting dubious actions for an unspecified job-creation recovery and growth – as already presented in the Annual Growth Survey⁵ – which are unbalanced and unlikely to promote the triad of smart,

sustainable and inclusive growth as outlined in the EU 2020 Strategy. For instance, the proposed guiding principles of addressing administrative and legal obstacles to hiring and firing and reducing non-wage labour costs are alarming. The first idea is likely to contribute to a further erosion of workers’ rights; the second leads to less retirement and disability contributions or lower levels of health insurance in the long-term. Instead, SOLIDAR highlights the innovative potential of the social economy in creating employment opportunities and contributing to social cohesion. Indeed, the social economy (which includes cooperatives, mutual societies, associations and foundations) play a valuable role in creating sustainable employment and growth while combating poverty and exclusion. This should be supported by setting up a distinct European Statute for foundations, mutual societies and associations to facilitate cross-border operations respecting the diversity of legal entities.

⁵ See SOLIDAR briefing paper No. 27, “Annual Growth Survey 2011. SOLIDAR recommendations for a more social strategy to tackle the crisis”, March 2011, http://cms.horus.be/files/99931/Newsletter/27_SOLIDAR_AnnualGrowthSurvey.pdf.