



Sector Councils on Employment and Skills at EU level

Executive summary

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Executive summary

1 Aims, objectives and methodology

This report presents the results of a study aiming to assess the feasibility of setting up Sector Councils on employment and skills at the European level (EU level Sector Councils). Such Councils could be composed of key stakeholders of a particular economic sector including representatives from trade unions and employer organisations, members of education and training systems as well as other actors such as those involved in economic development.

Sector Councils exist under various names and in various forms in the EU. For the purpose of this study Sector Councils were characterised as follows: they:

- Deal with one specific sector of the economy;
- Aim at gaining insight into the likely developments in employment and skills needs with the aim of assisting policy making within or for this sector;
- Do so by providing analysis of developments on the sectoral labour market;
- Function as a platform in which at least two types of stakeholders are involved;
- Work in a structured and continuous way.

Transversal Councils are similar to Sector Councils, but cover trends and developments in two or more sectors of the labour market.

The present report provides insights in the feasibility and impact of three policy options:

1. No initiative at EU level;
2. EU Initiative focusing on a further information exchange between Member States ('light');
3. EU Initiative focusing on developing joint policies and actions at EU level.

The study used the following methods to obtain information:

- Desk research, with a focus on existing EU and national initiatives;
- Expert interviews, aimed at better understanding the international policy context, identifying similar EU and OECD initiatives;
- Missions and face-to-face interviews to best practice countries;
- Web survey amongst stakeholders in five sectors;

- Telephone interviews amongst Member State level stakeholders in five sectors;
- Interviews amongst sectoral social partners' representatives at the EU level.

2 Conclusions

2.1 Existing situation in EU Member States

Three main features characterise existing Councils

Sector Councils and Transversal Councils for employment and skills are defined by three main features: they carry out or commissions forecasting studies on jobs and/or skills a sector, the outcomes of these studies are discussed in a sectoral dialogue in which at least two types of stakeholders are involved, and these discussions lead to proposals and/or actions to bridge the quantitative and/or qualitative gap.

Councils for employment and jobs common in the EU

The majority of the Member States - 22 of the 27 - has at least one type of Council. Taking into account the variation in sectors and regions, their overall number in the EU could well be over 2,500.

Sector Councils slightly less common than transversal councils

Almost half of the Member States - 13 of the 27 - have at least one Sector Council at national level. These Sector Councils can be councils for initial vocational education and training and/or for continuing vocational training. In total 19 'series' of Sector Councils were identified in 13 Member States, each 'series' covering a variety of sectors.

In another 17 Member States 25 councils with similar tasks and structures operate at the cross-sector, horizontal level. Transversal councils, targeting initial vocational education and training often also operate at regional level. This is closely related to the distribution of responsibilities within Member States between the national and the regional level.

In larger Member States, there are usually Sector Councils at national level and an umbrella Transversal Council, in which issues common to the Sector Councils are discussed and decided upon. In smaller Member States there is one Transversal Council, under which a number of sectoral working groups operate. These working groups often do not meet the criteria set for a Sector Council. This different organisational model, at least partly, explains why more Transversal than series of Sector Councils were found.

Five types of councils currently in force

Five types of Councils can be distinguished, if we classify them by sector focus, geographical level and training focus. The more common types are Sector and

Transversal councils at national level, for IVET and/or CVT and the regional level Transversal Councils for IVET. As the following table shows three types of Councils were hardly ever found. It concerns the regional Sector Councils for IVET and regional Sector and Transversal Councils for CVT.

Table 1 Typology of Councils for employment and skills in EU Member States (number of Member States in which they are found)

	Sectoral		Transversal	
	IVET	CVT	IVET	CVT
National	11	8	10	9
Regional		--	8	--

Qualitative and quantitative skills gaps almost equally important for councils

All Sector and Transversal Councils have one common objective: to improve the match on the labour market between demand and supply in quantitative (jobs) and/or qualitative (skills and competencies) terms. To achieve this main objective councils can implement a variety of activities:

- Analyse quantitative trends in the labour market;
- Analyse qualitative trends in the labour market;
- Develop policy proposals to bridge the quantitative gap;
- Develop policy proposals to bridge the qualitative gap;
- Foster co-operation between firms and vet providers;
- Implement programmes / actions to bridge the gap.

Most Councils focus on the qualitative skills gap, i.e. analysis of qualitative trends on the labour market and responding to skills/ competency needs, closely followed by the analysis of quantitative trends on the labour market, , i.e. the number of job opportunities which are currently and, more importantly, available in the future.

Strong integration in existing education (IVET) and social dialogue (CVT) structures

With a few exceptions all Sector and Transversal Councils identified are statutory and permanent. If Councils are linked to the IVET system, in most cases employers' organisations, trade unions, the ministry responsible for the sector and the IVET providing system are represented in their boards. CVT oriented Councils are typically financed and led by the social partners.

Effectiveness and impact assumed rather than known, with focus on employers

Councils in the EU are seldom evaluated. In as much as evaluation takes place, e.g. in the United Kingdom and in Canada, success is measured by the use of outputs by companies and their satisfaction with those outputs. Efforts to make education more demand oriented by nature require a focus on companies and production technologies, and this is reflected in the objectives of Councils and the desired composition of an EU level Council (see below). Obviously, some stakeholders and in particular trade unions bring to the fore the implications for the quality of work. This is more easily done in CVT oriented Councils where social partners have the dominating role, and in countries where tri-partite policy making and management are more common.

Reconciliation of sectoral and transversal approaches

A number of Member States dispose of systems that focus entirely on cross sectoral issues. In terms of content, occupations constitute the link between the two systems. Each sector has a number of dominant occupations. In terms of organisations, the Transversal Councils constitute a starting-point for including those countries in a sectoral dialogue, because they may act as mediator between the EU and the national sectoral level.

2.2 Potential impact of EU level Sector Councils

Measurable impact to be expected on direct effects

Evaluations of the Canadian and UK experience show that – in their approach – positive effect can be achieved on sectors, enterprises, employees and employers. This study found in the interviews and the survey many indications that tangible, i.e. direct, effects are more likely to be achieved than indirect effects. Stakeholders expect a medium level impact of an EU level Sector Council. Stakeholders expect that such a Council will clearly contribute to making training systems more responsive to needs on the labour market and enhancing the skills of labour market entrants and workers. As regards indirect effect, like fostering labour productivity and competitiveness of companies and promoting mobility, their expectations are lower. Stakeholders are positive about the role an EU level Sector Council can play in boosting the effectiveness of national level Councils.

Impact depending on proper focus

Existing evaluations as well the interviews conducted in the framework of this study suggest that the closer policies are to individual companies, the more likely a higher impact will be. Another interesting finding from the surveys is that respondents expect more impact for objectives that they have themselves prioritised for an EU level Council. This indicates that a proper selection of objectives, corresponding to the needs of the sector and the stakeholders concerned, enhances the impact that can be attained. The study's findings furthermore suggests that EU level Sector Councils which focus on the joint development of policies and actions are more likely to achieve direct and indirect effects than those focusing on the exchange of information and tools.

Isolation or networking will generate specific impacts

On the one hand, the experience of existing Sector or Transversal Councils teaches that their placement outside the regular, established systems enables Councils to be more effective. The Canadian Sector Councils e.g. seem to owe some of their effectiveness to the fact they are placed at the national level, while responsibility for the education systems lies at the provincial level. For the EU level the analogy would be that an EU level Council could more easily come with innovative approaches that have a direct impact on stakeholders in Member States.

On the other hand, EU level Councils can have an impact by reinforcing other EU initiatives, in the field of education, forecasting and sectoral labour market policies.

Design and implementation key determinants for realising potential impact

The impact of EU level Councils will depend on its design and focus, but mostly on the degree to which these are geared towards the needs of the stakeholders in the sector. Achievable objectives and proper management and leadership of the Council are other important contributing factors. Given the complexity of the issues at stake and the distance to the actual playing field, the liaising with and building on other EU initiatives is another important factor for the success of EU level Sector Councils.

2.3 Feasibility of EU level Sector Councils

Four determinants of interest in participation

Interest is higher amongst organisations with a clear link to a specific sector. Interest is higher amongst people and organisations that are convinced of its use. Social partners are more inclined to participate than other types of stakeholders. Objectives and fellow stakeholders in people's own country are important for participation.

Content and immediate objectives dominate amongst desired objectives

The link between initial vocational training and (the sectoral) labour market: the promotion of continuing training and the responsiveness of the education sector to labour market needs are the most desired objectives. Further away objectives, as well as objectives relating to the Councils themselves, are less sought after.

... as well as focus on information exchange or combination with policy development

Information exchange or a combination of information and policy making are desired most. Trade unionists have a clear preference for the joint development of policies and actions.

Preference for both IVET and CVT in EU level Sector Councils

Councils, stakeholders are united in their preference for a combined focus: 72 percent feel that both IVET and CVT should be addressed by EU level Sector Councils

Social partners most important envisaged participants in EU level Sector Councils

A strong agreement exists amongst stakeholders that social partners should be represented in EU Sector Councils, in particular employers. Other types of stakeholders are mentioned less often, though still by over half of the respondents in the survey.

Financial and technical support needed from EU

Financial resources – notably travel and subsistence costs for meetings - are a condition to participation for many and for the decision to join a newly set-up council. Technical support from the EU will be required during all stages, from the setting-up to the implementation.

Sector initiative to be combined with stringent rules

While it is on the one hand important to leave the initiative with sectors, clearly defined targets and compulsory monitoring and evaluation are also needed.

Specific variations and provisions

Further points of consideration for the design the councils include a decentralised setup, specific provisions for new Member States, and a multi-level setup with regard to participation.

3 General recommendations following from the study

On the basis of the study the general recommendations for setting up EU level Sector Councils have been drawn. On the basis of these the three options have been assessed and more detailed proposals were formulated.

The seven general recommendations following from the study are:

- R1. Proceed with promoting EU level Sector Councils for Employment and Skills
- R2. Set realistic objectives and expectations
- R3. Any EU initiative to promote such Councils should ensure commitment from stakeholders by making participation voluntary and support temporarily, and depending on achievements agreed upon in advance
- R4. Make EU support dependent of a few stringent conditions and agreement on targets at the application stage and participation in monitoring and evaluation measures
- R5. Promote co-operation with existing EU initiatives, notably in the fields of labour market trends and education & training
- R6. Put initial focus on information exchange and on social partners, consider a multi-stage involvement of the corresponding stakeholders
- R7. Establish a Transversal Council with a limited number of objectives

4 Policy options – conclusions and recommendations

4.1 Option 1 - No policy

The likely result of not pursuing the establishment EU Sector Councils for Employment and Skills by the EU will be the absence of international cooperation at sector level in this field.

Rather than generating immediate negative effects (R2), this option represents the loss of opportunities to reinforce existing initiatives in Member States, extend good practices to other Member States and increase the available knowledge at EU level.

4.2 Option 2 – Focus on information exchange

From the three policy options, the second – focus on information exchange - is the most feasible option. It is therefore logical to make this the first and most intensively supported course of action. It is proposed to launch such an initiative in a limited number of sectors and evaluate their functioning in the second year.

Scope and remit

It is recommended that the exchange focuses on the identification and monitoring of future employment and skills needs in the sector, both in terms of tools and outcomes.

Structure and support

In order to increase the commitment and impact in the sector, as well as an efficient management, it is recommended that the Councils be attached to the ongoing sectoral ESD structures.

However, in order to maintain a clear distinction between negotiations and informative dialogue, it is recommended that the Council be a distinct entity with in principle a different set of participants.

It is recommended that a secretariat is attached to the Councils, to prepare and organise meetings, collect, store and disseminate information on tools and outcomes regarding future employment and skills in the sector, develop and maintain a database and website to this end, liaise with other EU initiatives. It is recommended that such a secretariat is established for several sectors, to avoid duplication of work, generate synergies and assure cross-sector comparability of data. This secretariat could for the time being taken

on the role envisaged for an EU Transversal Council. A rough estimation would be that in total some 2-3 FTE would suffice to maintain a secretariat for three sectors for one year.

Composition of the Council

The above focus implies that social partners are the primary stakeholders to be involved, but that EU and national representatives are already participants through the ESD meetings.

It is proposed that the Council is therefore composed of three types of members, which will be involved at different stages (R6):

- Full members
- Observers
- Ad-hoc participants (invitees)

Practical organisation

It is proposed to hold three regular meetings with members and observers and one seminar to which a wider group of stakeholders is invited.

Costs

The costs involve the costs relate to the secretariat (staff, facilities) on the one hand and travel and subsistence of participants in meetings on the other hand. For three sectors sharing one secretariat this would roughly require a budget of 200,000-300,000 Euros.

4.3 Option 3 – Focus on policy initiatives

Although is recommended to give priority to actions under option 2, it is recommended to develop and a more limited support line for policy development also:

It is furthermore recommended that support to this type of initiative is provided in the form of a grant for specific initiatives. These can be taken in the three pilot sectors or in other sectors.

The costs to be reimbursed by the grant include travel and subsistence, as well as technical assistance (staff costs) for the organisation of the initiative.