

Sector Councils on Employment and Skills at EU level

A study into their feasibility and potential
impact

Client: European Commission, DG Employment, Social Affairs and Equal opportunities

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Table of contents

Preface	7
1 Introduction	9
1.1 Background of the study	9
1.2 Study objectives and tasks	10
1.3 Definitions	11
1.3.1 Working definition of Sector Councils and Transversal Councils	11
1.3.2 Feasibility and impact	12
1.4 Design and methodology	13
1.4.1 Overall approach	13
1.4.2 Research methods used	14
1.4.3 Choice of sectors for in-depth study	14
1.4.4 Desk research	15
1.4.5 Expert interviews and missions	16
1.4.6 Web survey stakeholders	17
1.4.7 Telephone interview stakeholders	17
1.4.8 EU level sectoral social partner interviews	19
2 Sector Councils and Transversal Councils in the EU	21
2.1 Introduction	21
2.2 Sector and Transversal Councils in the Member States	21
2.2.1 An overview of Sector and Transversal Councils	21
2.2.2 Models and approaches other than Councils	26
2.2.3 Coverage of the sectors	27
2.3 Main tasks of Sector and Transversal Councils	29
2.4 Stakeholders in the boards of the Councils	34
2.5 Success factors of Sector Councils	36
2.6 Conclusions	38
3 Potential impact of EU level Sector Councils	41
3.1 Introduction	41
3.2 Dimensions of impact	41
3.3 Potential impacts: overall and by group of stakeholders	44
3.4 Impact of Sector Council: exchange of information or joint policy development?	46
3.5 Impact of Sector Councils: IVET, CVT or both?	48
3.6 Impact of Sector Councils: variation between economic sectors?	49
3.7 Key determinants of potential impacts	51
3.8 Conclusions	53

4 Feasibility of EU level Sector Councils	55
4.1 Introduction	55
4.2 Potential interest amongst stakeholders – beneficiary profile	56
4.3 Operational feasibility	57
4.3.1 Importance of the role played by the design of Sector Councils	57
4.3.2 Objectives	58
4.3.3 Tasks and focus	59
4.3.4 Participants	61
4.4 Economic feasibility	62
4.5 Technical feasibility	62
4.6 Competitive advantage	63
4.7 Feasibility of Sector Councils: a focus on 5 economic sectors	64
4.7.1 Introduction	64
4.7.2 Textile and clothing	65
4.7.3 Construction	67
4.7.4 Hospital sector	69
4.7.5 ICT	71
4.7.6 Horeca	72
4.7.7 Concluding remarks	73
4.8 Conclusions	74
5 Recommendations	77
5.1 General recommendations following from the study	77
5.2 Policy options – conclusions and recommendations	79
5.2.1 Option 1 - No policy	79
5.2.2 Option 2 – Focus on information exchange	79
5.2.3 Option 3 – Focus on policy initiatives	83

Preface

This report presents the outcomes of a feasibility study on the setup of Sector Councils on Employment and Skills at the European level. ECORYS Nederland B.V. and KBA (Knowledge Centre for Vocational Training and Labour Market) conducted this study in upon the request of the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities DG, following Invitation to tender No VT/2008/092.

ECORYS and KBA would like to express their gratitude to the many stakeholders at national and international level for the cooperation and inputs they provided for this study. A sectoral approach to the early identification of future jobs and skills needs and the alignment of education and training systems is a potentially powerful tool for better functioning labour markets, sectors and economies as a whole. We hope that this study will contribute to the further development of policies in this area.

The core research team consisted of Etienne van Nuland, Marjolein Peters, Thijs Viertelhuizen, Ruud van der Aa (ECORYS) and Kees Meijer (KBA). In addition, the following persons provided support to the project: Marieke Habraken, Ekim Sincer (country reports and telephone interviews), Ben Hövels (study visits), Dafina Dimitrova (surveys), Martin Gosset and Claudia Groen (telephone interviews).

For this project ECORYS has been the lead contractor and takes full responsibility for the outputs produced in the framework of this contract.

1 Introduction

1.1 Background of the study

The identification, analysis and forecasting of skills needs is a key element of policies to increase the functioning of labour markets and the competitiveness of companies. Future skill requirements have therefore been increasingly referred to in the framework of the EU Lisbon Strategy on growth and jobs.

A call for a more structural and coordinated approach to this matter has in recent years been formulated at EU level at various occasions:

- The Education Council's resolution on the 'New Skills for New Jobs' initiative of November 2007;
- The 'New Skills for New Jobs' initiative has been highlighted by the EPSCO Council as one of the key areas for the future of the European Employment Strategy in December 2007;
- The March 2008 European Council invited the European Commission to "present a comprehensive assessment of the future skill requirements in Europe up to 2020".

In response, the Commission published its Communication on 'New Skills for New Jobs, Anticipating and matching labour market and skills needs.' This Communication included first assessments of labour market and skills needs up to 2020, an overview of existing anticipation instruments at national and European level, as well as proposals for a more effective approach to ensure anticipation and matching between labour demand and supply through synergies between employment, training and education policies. A Staff Working Document was attached to the Communication on 'New Skills for New Jobs'. This Staff Working Paper (SWD) provides the empirical and theoretical evidence for the policy messages stated in the EC Communication.

The lack of information on future skill needs and newly emerging skills has been a long standing concern in Europe.¹ The need to anticipate skills and occupational needs is a priority in the Maastricht and Helsinki communiqués,² the integrated guidelines for employment for 2005-2008³ the European Social Fund for 2008-2010⁴, and the Social partners' framework of actions for the lifelong development of competencies and qualifications⁵. The recently adopted Council resolution on 'New Skills for New Jobs'

1 Cedefop *Future skills needs analysis in Europe, medium-term forecast*, Thessaloniki, 2008.

2 http://ec.europa.eu/education/policies/2010/vocational_en.html

http://ec.europa.eu/education/policies/2010/doc/helsinki_en.pdf

3 http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_205/l_20520050806en00210027.pdf

4 http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_210/l_21020060731en00120018.pdf

5 <http://www.etuc.org/a/580>

moreover,⁶ draws attention to the practical steps that need to be taken in education and training to provide citizens with better opportunities to succeed on the labour market.

The need to improve transparency on European labour markets, to increase the skill levels of populations and to prevent skill mismatches, render information about the future development of skills and competences indispensable. Relevant findings could help achieve the objectives set in European employment and lifelong learning strategies. Such information is also essential for developing a European knowledge-based society. Finally, new and changing skill needs are challenges for policy-making to achieve wider social and economic objectives of cohesion and competitiveness in the European Union.

1.2 Study objectives and tasks

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 would 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.

The objectives foreseen by the European Commission for such EU level Sector Councils would be to:

- Collect on a regular basis studies performed in EU Member States and at European level on sectors' skills deficits and future demands for skills and competences in link with employment in the selected sector.
- Create syntheses of the information collected.
- Confront the information on skills needs with available information on the supply of skills (also collected at Member State level) and to have discussions and exchanges between the sector's stakeholders and those who design the education and training programmes in the different Member States of the EU.
- Integrate in the discussions the role to be played by existing European tools in education and training, such as the European Qualification Framework (EQF), the European Credit Transfer and Accumulation System (ECTS), the European Credit System for Vocational Education and Training (ECVET), and EUROPASS.
- Provide recommendations on the basis of the discussions between Councils' members, to be addressed and disseminated to stakeholders across Member States;
- Participate in the initiative of setting-up effective partnerships for the anticipation of change bringing together the stakeholders of the sectors.

The Commission staff working document on "restructuring and employment – The contribution of the European Union"⁷ emphasises that these should constitute a practical tool to pool together and exchange existing information on the topic as well as on the role this structure could play in feeding the sectoral social dialogue. The final goals of these Councils would be to achieve:

⁶ http://eur-lex.europa.eu/LexUriServ/site/en/oj/2007/c_290/c_29020071204en00010003.pdf

⁷ Foreseen for September 2008.

- A better adequacy of the supply of training to the demand for skills in view of:
 - Reducing the skills mismatches resulting in skills gaps and shortages;
 - Reduce unemployment;
 - Improve business performance;
 - Improve the skills level of the EU workforce.

Combined, these contributions will help to (a) bridge the skills gaps at sector level, (b) reduce unemployment, (c) improve business performance, and (d) improve the skills' level of the EU work force.

The aim of this study is to assess the feasibility and impact of the creation of EU-level Sector Councils on employment and skills. The present report provides insights in the feasibility and impact of several policy options that the European Commission can choose from. Three different policy options were distinguished. Two of these options require a further assessment of desired remit and tasks, as illustrated in the table below.

Table 1.1 Policy options

Option	Further assessment
1. No initiative at EU level	
2. EU Initiative focusing on a further information exchange between Member States ('light')	<ul style="list-style-type: none"> • Focus on outputs vs. functioning of Sector Councils • Focus on tools vs. outcomes • Focus on quantitative or qualitative gaps on the labour market
3. EU Initiative focusing on developing joint policies and actions at EU level ('heavy')	<ul style="list-style-type: none"> • LMI - EU level comparable and relevant information • Develop occupational profiles • Develop qualifications • Promote recognition and accreditation of skills and qualifications • Initiatives to attract more workers to the sector, including sector promotion

The present study focuses herewith on the following tasks:

1. Analysis and evaluation of existing similar experiences in OECD countries;
2. Assessment of the impact to be expected from various forms of EU level Sector Councils;
3. Assessment of the feasibility of introducing various forms of EU level Sector Councils.

1.3 Definitions

1.3.1 Working definition of Sector Councils and Transversal Councils

Sector and Transversal Councils are the core subject of this study. In the inception phase of the study the following working definitions were developed, which proved to be workable in the data gathering and analysis.

A **Sector Council**:

- *Deals with one specific sector of the economy*, i.e. a branch of industry or a grouping or cluster of professions. This criterion excludes Councils that focus on two or more sectors (see Transversal Council, below) and Councils which focus on a single or a very limited number of occupations.
- Aims at *gaining insight into the likely developments in employment and skills needs with the aim of assisting policy making* within or for the sector. This criterion combines the quantitative and the qualitative perspective on trends on the labour market. While the employment outlook is more quantitative, the skills or competencies view is more qualitative.
- Does so by *providing analyses of developments on the sectoral labour market* and can, though this need not necessarily always be the case, act upon the outcomes of these analyses.
- Functions as a *platform in which at least two types of stakeholders are involved*. These stakeholders may include public authorities, representative organisations of employers and employees, and education, vocational training and research institutes. This criterion excludes Councils in which only one type of stakeholder is involved, e.g. only staff of a ministry of education.
- Works in a *structured and continuous way*. This criterion excludes Councils which are set up on a temporary basis, often as a reaction to specific, negative trends as regards the inflow of workers into the sector and / or the type and level of their skills;
- Can carry out its tasks at national as well as regional level.

A **Transversal Council** differs in one significant aspect from a Sector Council. While a Sector Council focuses on one sector of the economy, a *Transversal Council covers trends and developments in two or more sectors of the labour market*. In all other five above mentioned aspects the definition of a Transversal Council is similar to that of a Sector Council.

Thus a sector and a transversal council are defined by three main features: it either carries out itself or commissions forecasting studies on jobs and/or skills, the outcomes of these studies are discussed in a dialogue in which at least two types of stakeholders are involved, and these discussions lead to proposals and/or actions to bridge quantitative and/or qualitative gaps. A Sector Council focuses on one specific sector, while a Transversal Council focuses on the labour market as a whole of the labour market or groups of sectors within it.

1.3.2 Feasibility and impact

With regard to feasibility we distinguish five dimensions. The following table lists these dimensions and explains to what extent and how the current study covers them.

Table 1.2 The dimensions of feasibility

Dimension	Coverage in the current study
Economic feasibility	Assessment of the benefits foreseen by stakeholders and the support they would desire from the European Commission
Technical feasibility	A review and discussion of the design and technical support desired by stakeholders.
Operational feasibility	Analysis of the likely participation by stakeholders and of the conditions that will further or hamper this participation
Competitive advantage	Added value of the EU initiative as perceived by stakeholders
Beneficiary profile	Analysis of likely participants, by sector and type of stakeholder

Impact is defined as having four dimensions. The following table lists these dimensions and associated sub-dimensions.

Table 1.3 The dimensions of impact

Dimension	Areas of impact
Impact on the alignment of education/training and labour market	<ul style="list-style-type: none"> • More responsive education and training offer • More competent labour force
Impact on the sector	<ul style="list-style-type: none"> • More competent labour force: higher skilled existing labour force • Higher employability of workers in the sector / more competent, higher skilled labour force • More competitive companies in the sector • Higher productivity in the sector • Greater convergence of sector policies between Member States
Impact on mobility	<ul style="list-style-type: none"> • Increased mobility of workers between Member States
Impact on Sector Councils	<ul style="list-style-type: none"> • Better functioning national level Sector Councils (organisation, remit)

The concepts of feasibility and impact are further elaborated in chapters 3 and 4 respectively.

1.4 Design and methodology

1.4.1 Overall approach

This study has been undertaken on the basis of a methodology that has its origins in the June 2005 guidelines to impact assessments. These guidelines distinguish six key analytical steps to be taken in an impact assessment:

1. Identify the problem;
2. Define the objectives;
3. Develop main policy options;
4. Analyse their impacts;
5. Compare the options;
6. Outline policy monitoring and evaluation.

The objectives and tasks of this study are congruent with this analytical framework. The analysis and evaluation of existing similar experiences in OECD countries will serve to collect information and elaborate the objectives of the Sector Councils. The three policy options for the creation of these Sector Councils correspond to step 3. The assessment of expected impact covers steps 4 and 5. The last step does not form part of the present study.

However, a feasibility study goes beyond an impact assessment as such. The current feasibility study in fact yields information on:

- The potential impact of different types of (options) Sector Councils;
- The degree of commitment of ownership amongst stakeholders for Sector Councils at EU level;
- Analysis of key design features for Sector Councils at EU level, their pros and cons, including the conditions contributing to or hampering the functioning of such Councils and the way potential risks can be addressed.

1.4.2 Research methods used

The methods used to answer the questions raised in this study include:

- 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 stakeholders in five sectors.

The following sections describe these methods in more details, preceded by a section justifying the choice of the five sectors for in-depth study.

1.4.3 Choice of sectors for in-depth study

Five sectors were selected for a more in-depth study of the feasibility of the various policy options and their impact. The European Commission has selected these five sectors out of a list of sectors generated by the research team on the basis of a number of objective criteria.

The selection criteria used for the initial list of sectors were:

- Current contribution of the sector to the EU economy;
- Expected future economic relevance of the sector;

- Correspondence with the sectors included in the EU study on ‘innovation, skills and jobs’;
- Variety in sectors, e.g. sectors based in the primary, secondary, tertiary sector and/or in agriculture, production industry, commerce and trade, services; et cetera.

On the basis of the first phase of the study three criteria for the final selection were chosen:

- Relevance for EES and Lisbon Strategy;
- Likely commitment, because of need or urgency for skills adaptation in the sector;
- Representativeness.

Figure 1.1 Criteria and their meaning

Criterion	Indicator for:		
	Relevance for EES and Lisbon Strategy	Likely commitment	Representativeness
Current contribution of the sector to the EU economy and employment			
Expected future relevance of the sector			
Correspondence with the sectors included in the EU study on “innovation, skills, and jobs”;			
Variety in sectors, e.g. sectors based in the primary, secondary, tertiary sector and/ or in agriculture, production industry, commerce and trade, services; etc.			
Structural European wide staff shortages or surpluses;			
Sector Council experience			
Innovation of the sector (not only traditional sectors);			
Current existing degree of organisation at EU level, i.e. participation in EU Social Dialogue;			
Geographical coverage			

The final selection of sectors consists of horeca, construction, ICT, textile and clothing, and hospitals.

1.4.4 Desk research

The feasibility study started with a wide ranging desk research exercise to identify reviews and existing studies on Sector Councils as well as current EU policies in the area of skills matching and forecasting. Studied materials included EC Communications, Staff Working Documents, insights from the 16 sectoral studies performed for the Commission, Cedefop/Skillsnet publications, materials from the SYSDM network as well as from the Peer Reviews undertaken in the framework of the Mutual Learning Programme of the European Employment Strategy, and publications from EIRO/Eurofound.

The desk research initially resulted in the drafting of a brief internal synthesis document that included an inventory of EU policies. In addition, the research team was able to draft the working definition of Sector Councils and Transversal Councils. Most importantly however, the desk research provided input for the format on data collection that was used to describe Councils in each of the 27 EU Member States.

These 27 country studies were subsequently undertaken mainly exclusively on the basis of desk research. In case the researchers deemed this necessary, for example because information was unavailable or only available in a national language, experts and stakeholders were interviewed by phone. The country studies are added to this report in the annex entitled ‘Country reports’.

1.4.5 Expert interviews and missions

A series of interviews with policy makers, sectoral experts and others have also been undertaken in the course of the study. Interview topics included background information on Sector Councils across the world, factors that improve the effective and efficient functioning of Sector Councils, elements to be taken into account when setting up Sector Councils at the EU level, and examples of good practices.

Interviews were held at EU/ Commission level as well as with international organisations like the ILO and OECD. Interviews with the experts from the EU, including Cedefop, and the ILO were done by phone, while interviews at the OECD were performed face-to-face. Table 1.4 provides an overview of the experts interviewed.

Table 1.4 Expert interviews

Name	Organisation	Function
Kathrin Hoeckel	OECD	Analyst, Education & Training Policy Division
Miranda McIntosh	EC, DG EMPL/ unit D2 – European Employment Strategy, CSR, Local Development	Policy Co-ordinator - European Employment Strategy
Nicole Primmer	BIAC (Business and Industry Advisory Committee to the OECD)	Senior policy manager
Trevor Riordan	ILO, Skills and Employability Department	Senior Training and Technical Support Specialist
Roland Schneider	TUAC (Trade Union Advisory Committee to the OECD)	senior policy advisor
Olga Strietska-Illina	ILO, Skills and Employability Department	Specialist in Skills Policies and Systems
Peter Szovics	Cedefop	Senior Expert
Alena Zukersteinova	Cedefop	Expert
Carlo Scatoli	EC, DG EAC/ unit A1 – Lifelong learning: contribution to the Lisbon process	Head of sector - "Qualifications" (EQF, learning outcomes, Europass, lifelong guidance, Ploteus)
Benoît Desjeux	EC, DG EAC/ unit B5 - Professional training; "Leonardo da Vinci"	Programme Manager - EU policies - Thematic Officer - Leonardo da Vinci Programme

The outcomes of these interviews were often complementary and clarifying to the information obtained through desk research and led therewith to similar outcomes, e.g. contributing to the data collection format and the definitions. In addition, the interviews paved the way to pre-select a number of countries eligible for a field mission by the ECORYS/KBA research team. From these countries, Canada, the United Kingdom and Finland have subsequently been visited. The outcomes of these visits are described in chapter 2 and, more extensively, in mission reports that can be found in the annexes to this report.

1.4.6 Web survey stakeholders

Two online questionnaires have been developed in order to obtain a valid and reliable assessment of the views of potential members of EU level Sector Councils on the feasibility and possible impact of these Councils. First, a questionnaire for members and stakeholders of Sector Councils has been launched. Second, a separate questionnaire for Transversal Councils was derived from the Sector Council questionnaire, tailored to the different respondents targeted by it.

On the whole, the two questionnaires cover the same topics. After some initial questions on the background of respondents, the questionnaires intend to retrieve their views on the objectives, tasks, focus and structure of future EU level Sector Councils. The questionnaires subsequently include three questions comprising some 25 items to measure the views on feasibility and potential impact of future EU level Sector Councils. These are followed by some concluding questions and questions on a possible follow up interview by phone. The questionnaires thus predominantly deliver input for the assessment of the impact and feasibility of future EU level Sector Councils.

The questionnaires have been completed by 127 respondents, out of which 114 filled out the Sector Councils questionnaire and 13 completed the Transversal Council version. The contact details of these potential stakeholders were provided by various international organisations. An extended response analysis is provided in the annexes to this report. When interpreting the outcomes of the survey the two main conclusions of this analysis to be taken into account are:

- There is unequal distribution across types of stakeholders, both in the availability of contact details as with regard to response rate. All results are therefore always analysed for different types of stakeholder.
- The response can be expected to be biased towards persons or organisations with a positive attitude towards Sector Councils on the one hand and European initiatives on the other hand. Outcomes of the survey are therefore always compared with other sources (triangulation) and never taken at face value.

1.4.7 Telephone interview stakeholders

Interviews by phone have subsequently been undertaken in order to retrieve more enhanced knowledge of the views of potential stakeholders on the design, possible impact and feasibility of EU level Sector Councils. The stakeholders whom were contacted by

phone have been selected from the panel created for the internet questionnaire. Some of the interviewees participated in the online questionnaire and indicated that they were willing to answer further questions by phone. Other interviewees were carefully selected from those panel members that did not participate in the internet questionnaire. In total 27 stakeholders have been interviewed. Respondents covered most of the EU Member States, various types of stakeholders, and stakeholders with a positive as well as stakeholders with a negative attitude towards the creating of EU Sector Councils.

The interviews focused on:

- The pros and cons of different forms of organising an EU level Sector Council, e.g. objectives, stakeholders involved, focus on IVET, CVT, role of the European Commission,
- The key incentives to participation in an EU level Sector Council and the key obstacles that hamper participation.
- The reasons behind the observed outcomes regarding feasibility and impact.

Table 1.5 shows the coverage of the Member States by the internet survey and telephone interviews. More detailed tables on the coverage of both the survey and telephone interviews can be found in the annexes to this report.

Table 1.5 Survey and telephone interviews – country coverage

Member State	Internet survey	Telephone interview
Austria	X	X
Belgium	X	X
Bulgaria	X	
Cyprus	X	
Czech Republic	X	X
Denmark	X	
Estonia	X	X
Finland	X	X
France	X	X
Germany	X	X
Greece		X
Hungary	X	X
Ireland	X	X
Italy	X	X
Latvia		X
Lithuania	X	X
Luxembourg		
Malta	X	X
Netherlands	X	X
Poland	X	X
Portugal	X	

Member State	Internet survey	Telephone interview
Romania	X	X
Slovakia	X	X
Slovenia	X	X
Spain		X
Sweden	X	X
UK	X	X

1.4.8 EU level sectoral social partner interviews

To acquire a more in-depth knowledge of the feasibility of Sector Councils we have taken a closer look at five different sectors, being the horeca, construction, ICT, textile and clothing, and hospitals sectors. For each sector representatives of the social partners' organisations have been contacted, being representatives of employers and employees. For the ICT and horeca sectors we only succeeded in interviewing the employee organisations. Unfortunately and despite repeated attempts by the project team it has not been possible to arrange for interviews with the representatives of the employers organisations in these sectors. The annexes to this report include an overview of the interviewees and the organisations they represent.

2 Sector Councils and Transversal Councils in the EU

2.1 Introduction

This chapter presents the results of a search for Sector and Transversal Councils that are currently active in the Member States. The reasons for this search were twofold. The first reason is that information about aims and activities of and stakeholders involved in these Councils can help shape the design of EU level Sector Councils. Secondly, these Councils can act as national level partners or receivers of information of EU level Councils, once they have been set up.

To identify the Sector and Transversal Councils, for each of the 27 Member States a country report was produced (see the annex entitled 'Country reports'). The other main sources of information were the outcomes of study visits to Canada, Finland and the United Kingdom as well as the information provided during interviews by national experts and staff from, amongst others, BIAC, Cedefop, ILO, OECD, TUAC and the European Commission.

In section 2.2 a quantitative overview is given of the two types of Sector Councils, as well as of the three types of Transversal Councils, identified in the Member States. In addition, the reasons why in a few Member States no Councils were identified are discussed and the economic sectors covered by Councils are reviewed. In section 2.3 the focus is on the main tasks of the five groups of Councils and in section 2.4 on the composition of their boards. In section 2.5, the focus is on the factors which make national level Sector Councils effective. This is information that, assuming supporting national level Councils will be one of the objectives of EU level Sector Councils is highly relevant. In the last section, 2.6, a number of conclusions are drawn.

2.2 Sector and Transversal Councils in the Member States

2.2.1 An overview of Sector and Transversal Councils

EU Member States have a wide range of Councils on Employment and Skills, as shown in table 2.1. In 22 Member States a total of 44 series of Councils were identified. There is at least one Sector or Transversal Council which deals with issues on the interface between vocational education and training and the labour market in eight of ten Member States. For a full listing of the names of these Councils, see the annex to this chapter in the annexes to this report.

Table 2.1 Overview of Sector Councils and Transversal Councils in the EU 27

	Sector Councils				Transversal Councils			
	national		regional		national		regional	
	IVET	CVT	IVET	CVT	IVET	CVT	IVET	CVT
Austria (-)								
Belgium		X	X	X			X	
Bulgaria (-)								
Cyprus						X		
Czech Rep.		X						
Denmark	X				X	X	X	
Estonia	X				X			
Finland		X						
France	X	X, X					X	X
Germany (-)								
Greece					X	X		
Hungary						X	X	
Ireland						X		
Italy		X						
Latvia (-)								
Lithuania (-)								
Luxembourg						X		
Malta					X			
Netherlands	X, X	X					X	
Poland	X							
Portugal	X							
Romania		X					X	
Slovakia	X						X	
Slovenia					X			
Spain							X	
Sweden							X	
UK		X				X, X		X, X

Note: (-) = no Sector Council identified.

Note: X = a Sectoral or Transversal Council; X, X, = two different types of Councils were found in the Member State; If a sector council deals with IVET as well as CVET the X is placed in the middle of the cell.

The fact that so many Member States have Councils signifies the importance Member States pay to optimising the link between quantitative and qualitative trends in employment on the labour market and the kinds of new skills and competencies taught in their initial and continuing training systems. The reasons why in five Member States no Councils were found are discussed in section 2.2.2.

The overall number of Sector and Transversal Councils is high.

In the first lines of this section it was stated that ‘44 series of Councils were identified’. The term ‘series’ was used intentionally because an X made in table 2.1 does not automatically imply that there is only one such Council. In some cases there is only one, like for instance the Danish Advisory Council for Adult Vocational Training (VEU) or

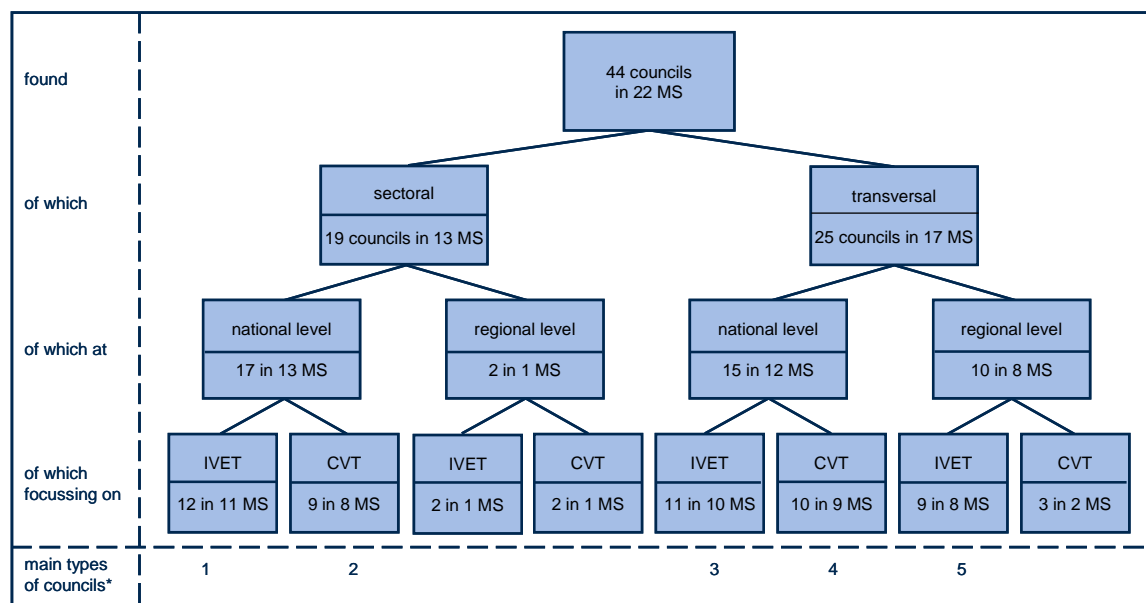
the Irish Expert Group on Future Skills Needs. But, in other cases, like the French Commissions Professionnelle Consultatives (CPC) or the Dutch sectoral training funds (O&O fondsen), they refer to respectively 14 and 140 organisations. The average number of national level Sector Councils for IVET is 20, with the number ranging from 15 in Slovenia to 34 in Finland⁸. Sector Councils for CVT are usually linked to collective labour agreements. With many such agreements - Denmark has over 1000 - the number of Councils can easily become very high. In Denmark, France as well as in the Netherlands there are around 100 Sectoral Training Funds for CVT. The overall number of Sector and Transversal Councils in the European Union could well be 2,500+.

To gain a better understanding of the areas of responsibility of the 44 series of Councils, they have been grouped on the basis of three perspectives: sectoral or transversal focus, active at national or regional level and responsible for initial and/or continuing training? The numerical answers to the three questions are shown in figure 2.1.

Sectoral or transversal responsibility?

Of all 44 Councils for Employment and Skills 19 – active in 13, or almost half of the, Member States - have a sectoral responsibility. They focus, as for instance the Sector-ová rada in the Czech Republic or the Sectoral Committees in Romania, on one specific sector of the labour market. In contrast, 25 of the 44 Councils have a transversal remit. These Councils, such as the Comité Permanent du Travail et de l’Emploi in Luxembourg or the Human Resources Development Agency in Cyprus, carry out their tasks in 17 Member States and focus on a number of sectors within or on the whole labour market.

Figure 2.1 Areas of responsibilities of 44 Sector and Transversal Councils



Note: * = Features of these five types of Councils are highlighted in the sections 2.3 and 2.4.

⁸ The average of 20 Sector Councils for IVET is based on information from 8 Member States. Denmark, with 120 Trade Committees, is excluded from this calculation. It was assumed that its inclusion would give a too high estimate of the average number of CVT Sector Councils in the Member States.

A reason why more Transversal than Sector Councils were found could be that in Member States which have Sector Councils, there is often, in addition, an umbrella Transversal Council in which issues of common interest of the Sector Councils are discussed. This is the case in for instance, Denmark, Estonia and the United Kingdom. A second reason might be the tendency for smaller Member States, like for instance Cyprus, Luxembourg and Ireland, to opt for a different organisational model. They have one Transversal Council at national level, under which a series of working groups for sectors are placed. These working groups often did not meet the criteria for a Sector Council outlined in section 1.3 and were therefore not included in table 2.1.

National or regional responsibility?

Councils for employment and skills mainly act at national level. Of all 44 Councils, 32 have responsibilities at that level. They are divided over all 22 Member States in which Councils were found. Decisions these national level Councils take or materials they produce, such as new occupational profiles or curriculum outlines, usually have nation-wide implications. The number of regional Councils is much smaller. Only 12 series of Councils at that level in 8 Member States were identified, of which one is dominant: regional level Transversal Councils for initial vocational education and training.

Focus on initial and/or continuing training?

Until now, the Councils could be neatly divided between sectoral and transversal and between national and regional. Their division between the areas of initial vocational education and training and continuing vocational training is, as shown in table 2.1, less neat. This is because 14 Councils, in 9 Member States, have a focus on IVET and CVT. These include, among others, the Sector Commissions in Belgium and the Alliance of Sector Skills Councils in the United Kingdom. When the Councils with dual responsibility are counted twice, there are 58 series of Councils of them 34 deal with initial vocational education and training and 24 with continuing vocational training. With a split of 60% of Councils with a focus on IVET and 40% on CVT, initial training receives a bit more attention than continuing training.

The interesting and relevant question, of course, is whether the combination of the three areas of responsibility (sectoral – transversal, national – regional and initial – continuing training) leads to a clear grouping of the 44 Councils. In other words, are they divided in identifiable groups of potential partners of a European level Sector Council? Looking the bottom part of table 2.1 the answer is positive. *In the Member States, there are five clearly distinguishable types of Councils dealing with employment and skills.* As will be further highlighted in the sections below, this classification of the Councils in five main types is not a ‘statistical’ coincidence. Each group of Councils has different main tasks and has a different composition of its board.

Two types of Sector Councils

In the Member States there are currently two main types of Sector Councils:

(1) Sector Councils *at national level for initial vocational education and training.* These Councils – 12 in 11 countries – mainly deal with ensuring that the skills and competencies of labour market entrants match the requirements on the labour market.

Main activities are the production of national level occupational standard and training curriculum outlines⁹.

(2) *Sector Councils at national level for continuing vocational training*. These Councils - 9 in 8 countries - mainly deal with analysing the need for and providing continuing training amongst workers and supporting the development of career awareness materials for young people to inform them about opportunities the sector offers.

Given the focus of these two groups of Sector Councils, they offer the best prospects of becoming the counterparts of EU level Sector Councils.

Three types of Transversal Councils

In addition, three types of Transversal Councils can be distinguished:

(3) *Transversal Councils at national for initial vocational education and training*. These Councils – 11 in 10 countries found – mainly focus on issues common to the development of provision of initial training in different sectors. Such horizontal issues include ICT skills, entrepreneurship and lean production methods. This type of Transversal Councils usually also provides support to Sector Councils, for instance through developing tools which can be applied by all of them.

(4) *Transversal Councils at national level for continuing training*. These Councils – 10 in 9 countries found – act as an umbrella organisation for sectoral CVT Councils, for instance by discussing best ways to analyse a sectoral labour market, and / or deal with the priority setting, organising and financing of continuing training courses in a range of sectors.

(5) *Transversal Councils at regional level for initial vocational training*. These Councils – 9 in 8 countries – focus on linking the outcomes of studies of the regional labour market to the type, for instance technical or health care courses, end level, for instance at lower, intermediate or higher level, of initial training courses to be provided in the near future in the region.

Transversal Councils deal with a series of sectors concurrently. Therefore they might not be the prime partner for an EU level Sector Council. However, in the case an IVET or CVT national level Transversal Councils acts as umbrella organisations for sector level working groups, it might function as the linking pin between the EU level Sector Council and a Member State working group.

Three types of Councils were hardly ever found. It concerns the sectoral regional level Councils for IVET and sectoral and transversal regional level Councils for CVT. The main reason for the 'lack' of such Councils is that most, if not at all, of the important decisions about IVET and CVT – for instance as regards new qualifications, training priorities, funding, et cetera - are taken at the national level.

Almost all Sector and Transversal Councils included in table 2.1 are statutory and permanent. They have a legal basis and are intended to exist over longer periods of time.

⁹ The examples of main tasks of councils are taken from section 2.4, in general and from table 2.6, in particular.

There are a few exceptions. Some Councils are temporarily installed in case demand and supply on the local/regional labour market starts to diverge. This is the case with the e.g. the Platform Onderwijs Arbeid in Amsterdam (The Netherlands). Once the balance is restored, it will cease functioning. In Romania, the Sectoral Committees have a status as a NGO up to 2009. The plan is to transform them into public interest institutions.

2.2.2 Models and approaches other than Councils

Sector and Transversal Councils provide a bridge between the labour market and the training systems. Emerging job opportunities and an upcoming need for different kinds of competencies lead to quantitative and qualitative demands on the initial and continuing training systems. As these trends occur on the labour market in all Member States it is surprising that in five countries, i.e. Austria, Bulgaria, Germany, Latvia and Lithuania, no sectoral or Transversal Councils were identified. In particular, as Austria and Germany with their focus on apprenticeship type training, are well known for their links between enterprises and schools.

The main reason for this finding is that, in addition to the ‘Sector / Transversal Council’ model as applied in this study there are other ways to link the world of work to the world of training. To ensure that trends on the labour market are reflected in, for instance aims, contents, design, et cetera of vocational training programmes and in career awareness programmes, Member implement other methods too.

Examples of such other models and approaches include:

- *A network organisation.* In Bulgaria, a network is set up which consists of a group of institutes, comprising Ministries and national level labour market and research institutes. The network provides information to the Ministry of Education and relevant other bodies about trend in the labour market and their implications for, for instance, IVET programmes.
- *A temporary working group.* In Germany, when there is a need to revise an occupational profile for a specific occupation, a temporary working group is set up in which the social partners and the training system co-operate. Activities of such working groups are coordinated by the BIBB, the Federal Institute for Vocational Education and Training.
- *Experts in a national level institute.* In Hungary, the development or upgrading of a new qualification is being done by a working group in which experts from VET schools employer associations and the sectoral trade union take part. Each working group is responsible for a single qualification, and not for all qualifications in a sector. Within the National Training and Adult Education Institute, which coordinates the work of the working groups, there are so-called sectoral groups. These groups consist of staff from the Institute. It is their task to identify identical competencies within different occupations falling in the same sector, for instance construction. The experts ensure that the exam requirements for common competencies in different occupations are the same.
- *Experts in or linked to the Ministry of Education.* In Italy, the preparation of programmes for the upper-secondary vocational education schools is the

responsibility of the Ministry of Education. Usually, a proposal is being made by a group of school inspectors.

The implication of the of alternatives to the ‘Sector Council’ model is that a European level Sector Councils in Member States where it has no equivalent, in most cases, will be able to find a counterpart with which it can cooperate. All Member States have institutions which are responsible for maintaining the quality of initial training. Social partners in most, if not all of the Member states have procedures to support the provision of continuing training. Though these alternatives do not fully comply with the criteria for a Sector Council, as applied in this study, they can be potential partners for an EU level Sector Council.

2.2.3 Coverage of the sectors

Sector Councils in the Member States cover a wide range of sectors of the economy. This conclusion can be drawn from the information obtained from 10 countries concerning the sectors covered by their Sector Councils or initial and/or for continuing training. For a full overview of all economic sectors with a Sector Council, see the annex to this chapter in the annexes to this report.

In general, Councils for CVT cover a much wider range of sectors than those for IVET. The main reason for this difference is that Sector Councils for CVT are usually linked to the number of collective labour agreements, and the number of IVET Sector Councils to the streams / specialisations in schools for initial vocational training. The latter number is much lower than the former.

The NACE¹⁰, the list with economic activities in the EU, has 21 main categories. The Councils in these 10 Member States, see table 2.2, already cover 16 of the main categories and within these categories, a total of 52 different economic sectors.

The economic sectors with a Council for a specific sector in seven to nine of the ten Member States for which information was available are listed in table 2.3. The construction sector has a Council in almost all off these member States: 12 other sectors have Councils in seven or eight of them.

It can be concluded that, in particular when EU level Sector Councils will adopt broad definitions of their respective ‘sectors’, few obstacles will be met in identifying relevant sectors, i.e. Councils linked to them, in the Member States.

¹⁰ For background information and definitions of the NACE classifications, see: <http://ec.europa.eu/eurostat/ramon>.

Table 2.2 Sectors covered by Sector Councils in 10 Member States

NACE Category	Number of economic sectors with a Sector Council and example of sector:	Number of economic sectors with a Sector Council per Member State:
A: Agriculture, forestry and fishing	2 Agriculture	BE(2), CZ(2), DK(2), EE(2), FI, IT, NL(2), RO(2)
C: Manufacturing	17 Chemicals, pharmaceuticals, rubber and plastic products	BE(10), CZ(9), DK(9), EE(3), FR(5), FI(5), GB(4), NL(5), RO(9)
E: Water supply; sewerage; waste management and remediation activities	2 Environment	BE(2), CZ, EE, FI(2), GB(2), NL(2), RO(2)
F: Construction	2 Construction	BE, CZ(2), DK, EE, FR, FI, GB(2), NL, RO
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	4 Distribution, trade (including retail and wholesale)	BE(3), DK(2), EE, FR, FI(2), GB(3), IT, NL(2), RO
H: Transporting and storage	4 Logistics, transportation and vehicle maintenance	BE(2), EE, FR(2), FI(2) IT(2), NL, RO
I: Hotels, restaurants, catering and related services	3 Hotels, restaurants, catering and related services	BE(2), DK, FR(2), FI(2), GB, IT, NL(2), RO
J: Information and communication	3 Information and communication Technology	BE(3), DK(2), EE, FI, GB(2), NL(2), RO(2)
K: Financial and insurance activities	1 Financial services (bank, insurance and others)	BE, DK, FR, FI, GB, IT, NL, RO
L - Real estate activities	1 Property, housing, cleaning services and facilities management	DK, GB
M: Professional, scientific and technical activities	4 Advertising, crafts, cultural heritage, design, music, performing, literary and visual arts	BE(2), DK(2), FI, GB(2), RO
N: Administrative and support service activities	1 Property, housing, cleaning services and facilities management	DK, GB
O: Public administration and defence; compulsory social security	1 Central government	GB
P: Education	2 Education	DK, EE, GB, RO, SK
Q: Human health and social work activities	2 Health and social work	BE, DK(2), EE, FI, GB(2), NL, RO
R: Arts, entertainment and recreation	3 Arts, applied arts (incl. audiovisual/multimedia)	EE, FR, FI(2), GB, RO

Note: This table is to be read as follows. Under the NACE heading 'Manufacturing' in 9, out of the 10 countries for which information was available, for 17 different economic sectors at least one Sector Council was found. Behind the name of a Member State, the number of sectors in that country with a Sector Council in the respective NACE category is given. No number means 1 sector.

Table 2.3 Number of Member States with a Sector Council for a particular sector or category in ten Member States with Sector Councils

Number of Member States*	Economic sector	NACE main category
9	Construction	F: Construction
8	Chemicals, pharmaceuticals, rubber and plastic products Food industry Metal industry	C Manufacturing
	Financial services (bank, insurance and others)	K: Financial and insurance activities
7	Agriculture	A: Agriculture, forestry and fishing
	Fashion and textiles	C: Manufacturing
	Industrial production	
	Woodworking industry	
	Energy, water and waste	E: Water supply
	Other commercial services, maintenance and cleaning, security	G: Wholesale
	Passenger transport	H: Transport
Health and social work	Q: Human health and social work activities	

* Note: maximum number of Member States in the first column is 10.

2.3 Main tasks of Sector and Transversal 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.

Table 2.4 shows the relative attention that is given to these tasks by the Sector Councils. For a full overview of the tasks per Council, see the annex to this chapter in the annexes to this report.

Looking at the data it is clear that, for Sector as well as Transversal Councils, the qualitative side of the labour market is the first priority of most Councils, i.e. analysis of qualitative trends on the labour market (85% of the Councils) and responding to skills/competency needs (80% of the Councils). This priority however, is closely followed by the analysis of quantitative trends on the labour market (70%) and responding to

emerging employment opportunities on the labour market (55%). In general Sector Councils score higher on these issues than Transversal Councils. For IVET Councils the overarching priority is the analysis of qualitative trends on the labour market (95%). This reflects the responsibility national level IVET Councils have for maintaining the quality of occupational profiles and curriculum outlines.

Fostering co-operation between firms and VET providers and implementation of programmes / actions to bridge the gap between labour market demand and supply are, in general, minor tasks of the Councils.

Table 2.4 Tasks performed by Sector Councils and Transversal Councils

Sector Councils/ Transversal Councils	Tasks					
	Analysis of quantitative trends on the labour market	Analysis of qualitative trends on the labour market	Policy proposals to bridge the quantitative gap	Policy proposals to bridge the qualitative gap	Fostering co- operation between firms and VET providers	Implementation of programmes / actions to bridge the gap
<i>Sector and Transversal Councils (N = 28) Number of times activity mentioned</i>	20	24	15	23	7	8
Sector and Transversal Councils (N = 28); in %	70	85	55	80	25	30
Sector Councils (N = 13); in %	85	100	60	100	30	30
Transversal Councils (N = 15); in %	60	75	45	65	20	25
IVET Councils (N=20); in %	70	95	50	85	20	25
CVT Councils (N=8); in %	75	65	65	75	15	25

Note: to be able to best assess differences between Councils, those aiming at both IVET and CVT are not included in the table.

Note: percentages rounded off to the nearest 0 or 5.

Although Sector and Transversal Councils on face value do perform similar activities, on closer consideration, there are differences in their actual work. As shown in table 2.5, a rather differentiated picture came to the fore. Falling under one main category, such as developing policy proposals to bridge the qualitative gap, different activities are being carried out. Actions range from the development of new qualifications (as a response to emerging skills needs), via giving advice on main features of the training system, to the provision of continuing training courses in response to training needs of workers on the labour market. Each type of Sector and Transversal Council gives its own 'interpretation' to a main objective or task.

Table 2.5 Specified tasks of Sector and Transversal Councils

Level	Sector Council		Transversal Council		
	national		national		regional
Type of training	Initial vocational education and training	Continuing vocational training	Initial vocational education and training	Continuing vocational training	Initial vocational education and training
Analysis of quantitative trends on the labour market	- identify emerging employment opportunities in the <i>sectoral labour market</i>	- identify emerging employment opportunities in the labour market and, more specifically, in the <i>sector</i>	- identify trends in employment on the <i>national labour market</i>	- identify trends in the demand and supply of skilled labour on the <i>national labour market</i>	- identify employment trends on the <i>regional labour market</i>
Analysis of qualitative trends on the labour market	- identify emerging skills needs to develop new / adapt IVET courses	- identify skills gaps / continuing training needs amongst workers - set CVT priorities		- identify skills gaps / continuing training needs on the labour market – advice on / set CVT priorities	- carry out regional skills needs analysis
Policy proposals to bridge the quantitative gap		- develop career awareness materials - implement related actions		- advise sector CVT Councils and policy makers on CVT training needs	- advice on the types and level of IVET courses to be provided in the region
Policy proposals to bridge the qualitative gap	- develop (national) occupational standards and qualifications	- finance CVT - develop and /or provide CVT - offer assessment of prior learning options	- advice on general aspects of the IVET system - Advice on new, merging or abolishment of IVET courses	- finances CVT directly or through Sector Councils - assure quality of CVT provision	- adjust parts of IVET courses to regional needs

Note: core tasks are in bold.

Following we present a short description of the main activities of the five groups of Councils as identified in section 2.2.1 (see also figure 2.1, bottom row). In carrying out these tasks, the Councils use a series of tools, such as labour market analyses to identify emerging new jobs, job description to develop occupational profiles, interviews with employers, et cetera. See the annex to this chapter for an overview of these tools.

(1) Tasks of Sector Councils at national level for initial vocational education and training

The main task of this type of Council is to ensure that there is a qualitative match between demand for and supply of skills or competencies in the sectoral labour market at national level. The main tasks of such a Sector Council are, firstly, the identification of emerging and changing skills needs in the sectoral labour market. A second task is the development of national level occupational standards, qualifications and curriculum outlines. Such

activities are implemented by e.g. expert special councils (SIVE) in Slovakia, the Sectoral Committees in Romania, the Commissions Professionnelles Consultatives (CPC) in France and the Kenniscentra Beroepsopdrachten Bedrijfsleven (KBB) in the Netherlands.

Occupational profiles, curriculum structures and qualification are developed and agreed at national level to ensure comparability of qualifications all over the country. This explains why in table 2.1 the column ‘Sector Councils at regional level’ is, with two exceptions¹¹, empty.

(2) Tasks of Sector Councils at national level for continuing vocational training

In contrast to a Sector Council for initial vocational education and training, a Sector Council for continuing vocational training has:

- A different *main objective*: a CVT Council seeks to identify the skills gaps of *workers* in the labour market and to provide training courses which bridge these gaps.
- A different and *larger target group*: the continuing training courses are aimed at employees already, for a shorter or longer time, on the labour market. In comparison with young people in initial training the work force in the labour market is much larger.
- A different offer as regards the *duration of the training*. In comparison with mainstream IVET courses, CVT programmes are usually (much) shorter.
- A different *legal position*. CVT Councils are largely private organisations. While their activities might be monitored by the State to ensure that overall CVT regulations are being followed, they themselves are responsible for identifying the training needs, setting training priorities, promoting, financing and – in some cases – providing CVT training. The IVET Councils function within a more extended legal framework, in which decision making procedures to be followed and responsibilities to be taken are much more regulated.
- A different way in which it is *financed*. While IVET courses are to a large extent financed by the State, often with contributions in kind from firms, a CVT Council is financed out of payments made by firms and workers, usually as agreed in collective labour agreements.

A concrete example of Sector Councils for continuing vocational training at national level are the sectoral training funds¹²:

Sectoral Training Funds in many Member States are the organisations which act as sector level Councils for CVT at national level. These Funds can be found in e.g. Belgium, France (the Organismes Collecteur Paritaires Agréés), Italy (Fondi paritetici interprofessionali per la formazione continua) and the Netherlands (O&O fondsen). Based on regulation in collective labour agreements, firms and employees pay a levy to the fund. Out of such funds a series of activities are undertaken. Studies are being financed to analyse trends on the labour market and to identify priorities for CVT training programmes. Costs of training activities are being paid by the fund. In some case, e.g. in France, a fund delivers CVT training itself. In addition, in many countries Sector Councils for CVT play an important

¹¹ The exceptions are Belgium, where these tasks are performed at the regional, i.e. Flanders and Walloon, level and the United Kingdom, where the same is the case in England and Wales.

¹² CEDEFOP (2008): Sectoral Training funds in Europe, Luxembourg: Office for Official Publications of the European Communities, Cedefop Panorama series; 156.

role in striving after a balanced sectoral labour market. As part of this task they undertake actions to promote the sector in general and to create career awareness amongst young people. They often organise special actions in primary and lower secondary school too

*(3) Task of **Transversal Councils** at national level for initial vocational training*

Main objective of this type of Transversal Council is to ensure, at a more general level, optimal quantitative and qualitative links between the initial training system and the labour market. The focus is on the labour market as a whole, i.e. on the interplay between developments in the various sectors and on the impact of these trends on the provision of training courses. For instance:

The Danish Advisory Council for Initial Vocational Training (REU) is responsible for monitoring labour market trends and for recommending the establishment of new qualifications or for advising the adaptation or discontinuation of existing ones. It is also responsible for monitoring the outcomes of existing programmes and to advice on the better coordination or merging of programmes. In Slovenia the Council for Vocational and Technical Education (CERSVTE) is in charge of the renewal of the occupational standards and the quality control of newly developed (proposals for) training curricula. In Estonia, the Estonian Qualification Authority (EQA) plays a similar role.

*(4) Tasks of **Transversal Councils** at national level for continuing vocational training*

Transversal Councils for continuing training, like their counterparts for IVET, act as a platform for the sector CVT Councils. As a Transversal Council, it focuses on a range of sectors. A few examples are elaborated on:

The Danish Advisory Council for Adult Vocational Training (VEU) has a wide brief. It plays an important role in the management, priority setting, development, organisation and quality assurance of adult vocational programmes. It advises the Ministry and the sectoral committees for CVT. The Cypriot Human Resources Development Authority (HRDA) has a similar task package, which included an annual study on the priorities for multi-company training programmes. While the Danish and the Cypriote Councils have the broad range of task included in table 2.6, some other councils focus on parts of these tasks, e.g. the Greek Account for Employment and Vocational Training mainly deals with the financing of training.

*(5) Task of **Transversal Councils** at regional level for initial vocational training*

To a large extent the objectives and tasks of regional level Transversal Councils for initial vocational education and training Council are similar to those of their national level, transversal counterparts. Within the region the Transversal Council, with members from employers' associations, trade unions, the IVET training system and the regional government focuses on developments on the regional labour market. For instance:

A Council usually invites a regional observatory – a prominent feature of the work of regional level Transversal Councils in Finland and France - to identify sectors which are growing or shrinking. In some countries special tools are developed to analyse the regional labour market. In Hungary, this tool takes into account information about long term macro-economic developments, the medium term priorities in the regional development plan, the qualification structure and age of the current work force and the short term needs for continuing training provision.

Such regional analyses lead to an indication of the expected job opportunities in the coming years as well as the kinds of skills / qualifications needed. Both the quantitative, i.e. the expected number of jobs, and the qualitative, i.e. the required skills, are covered in the regional level decision making process. It is this wider, more comprehensive type of information which is taken into account by regional authorities, social partners and training providers in discussing the types and level of IVET courses which need to be offered by training institutions in the region in response to the identified needs. And, at least to some extent, it is this information that young people and their parents take into account in making career decisions. Usually, the final decision about the courses to be provided is in the hands of the regional level authorities for the IVET training system. The national level is seeking to support these regional decision making processes. For instance:

In Hungary, a system is being introduced of a regional list of 'supported qualifications'. The courses leading to these qualifications are financed to a higher level than courses not on the list. It is interesting to note that, while at national level information is gathered about expected quantitative needs on the labour market, decisions about the number, type and level of IVET courses to be offered are taken at regional level. Qualitative decisions about aims and contents of IVET training courses are taken at national level, quantitative decisions, about the number of IVET courses to be provided, are taken at regional or even school level.

2.4 Stakeholders in the boards of the Councils

Table 2.6 shows that there is considerable variance in the type of stakeholders that are members of Sector and Transversal Councils across the EU. For a full overview of the composition of the membership of the Councils listed in table 2.1, see the annex to chapter 2 in the annexes to this report.

As was to be expected, given the background of the role of Sector Councils, employers' organisations and trade unions are always member of the Councils. The government, i.e. policy makers, is, with 75 percent, to a lesser extent a member of Councils. Policy makers that are member of the Councils stem from different levels of governance, which becomes clear from the following examples:

In the Dutch Platform Arbeidsmarkt Onderwijs (PAO) only local policy makers are involved since PAOs are local or regional initiatives. At the same time, it is possible that all levels of the government are represented in a Council, depending on the governance structure. In the French Comités de Coordination Régionaux de l'Emploi et de Formation Professionnelle (CREFP) for example, government members include various regional and national level representatives.

Education and training institutes are members in two out of three cases, while research institutes are only a formal member of a few of the identified Councils.

In Denmark research organisations have a seat in the Regional Vækst Fora (RVF: Regional Growth Fora), in France in e.g. the Commissions Professionnelles Consultatives (CPC) and the Commissions Paritaires Nationales pour l'Emploi (CPNE) and in the Netherlands in the Task Force Technology Onderwijs Arbeidsmarkt (TTOA) and the Platform Arbeidsmarkt Onderwijs (PAO).

Other stakeholders include parental associations and associations of former students (in France); specific sectoral representatives / interest organisations, e.g. a Chamber of Commerce (in Hungary); and labour market re-integration institutes (in the Netherlands).

Table 2.6 Stakeholders represented in Councils (in %)

	Employers' association	Trade Union	Education/training institution	Policy makers	Research institutes	Others
<i>Sector and Transversal Councils (N=23)</i> <i>Number of times stakeholder mentioned</i>	23	23	15	17	5	7
Sector and Transversal Councils (N = 23); in %	100	100	65	75	20	30
Sector Councils (N = 11); in %	100	100	65	55	30	30
Transversal Councils (N = 12); in %	100	100	65	90	15	35
IVET Councils (N=16); in %	100	100	90	95	30	40
CVT Councils (N=7); in %	100	100	15	30	0	15

Note: to be able to best assess differences between Councils, those aiming at both IVET and CVT are not included in the table.

Note: percentages rounded off to the nearest 0 or 5.

The membership pattern of boards of Sector and Transversal Councils does not differ (see table 2.6) There is only one exception: the position of the education and training institutions. While they have a seat in almost all Transversal Councils, this is only the case in about half of the Sector Councils.

There are, however, significant differences between the composition of the boards of IVET and CVT Councils. Seats in CVT Councils are almost exclusively taken by employers and trade unionists. In a few cases policy makers and training providers are involved. This pattern is in clear contrast to the situation as regards the IVET Councils which, aside from employer's organisations and trade unions, in most cases also include policy makers and training organisations in the board. This participation model can be found both at national and regional level. These differences in the participation patterns between IVET and CVT Councils reflect their different legal status. CVT Councils are usually foundations, jointly managed by the social partners. IVET Councils are typically statutory legal bodies in which the main parties involved in initial training, i.e. the social partners, the IVET system and the government, are represented.

2.5 Success factors of Sector Councils

Linked to the tasks of and the stakeholders represented in a Sector Council, at the start of this study two other issues were raised: (a) which features make a Sector Council successful and (b) which countries have a council system which is feasible and effective and, as such, could provide ideas for the launch of EU level Sector Councils?

In the interviews with experts from the OECD, ILO, BIAC, TUAC, Cedefop (see table 1.4) and the European Commission both questions were posed. Canada, Finland and the United Kingdom were most often included in the answers to the second question. Canada and the United Kingdom, as these countries have a clear division of responsibilities for education and training between the national level and the provinces, in Canada, or countries, in the United Kingdom. Finland was mentioned, as it has an interesting system of National Educational Training Committees. Study visits to these countries were made in the first half of 2009¹³. During the interviews with experts the issue of success factors of national level Sector Councils was extensively discussed.

Canada has about 20 years of experience with a system of Sector Councils. Over the years a series of evaluative studies has been carried out¹⁴. The general conclusion is that the Sector Councils have had a real impact on employees and employers. Companies have become more profitable because workers are more productive and more employable. Human Resources and Skills Development Canada (HRSDC), the Department running the Program, sees as the key to its successes the fact that it is an: *“employer buy-in, industry-driven innovation (with) strong leadership from Sector Councils and the Sector Council programme. As a business-led labour market intervention, the Sector Council Program is effective because employers are best placed to know their own needs”*¹⁵.

In the United Kingdom Sector Skills Councils were set up in 2004. They, inter alia, serve as the voice of employers as regards skills needs and develop occupational standards and career awareness materials. In 2009, all 25 Councils were up for relicensing. For this assessment process a comprehensive evaluation framework was developed¹⁶. Initial results as regards impact of the Councils were, mid-2009, much promising.

In Finland, the 34 National Educational Training Committees have as their remit follow, analyse, evaluate and anticipate the development of skills needs on the labour market. On the basis of the information reviewed, a NETC has to develop outlines for sector level training curricula for all levels of training, including higher education. Each four years the output and impact of a NETC is assessed and a (dis)continuation decision is taken.

The experts' views and information from the literature¹⁷ about factors which make national level Sector Councils successful are summarised in table 2.7.

¹³ See annex 1, part 2, for the full visit reports to Canada, Finland and the United Kingdom.

¹⁴ For evaluation reports, case studies and literature reviews on activities and effects of Canadian Sector Councils see for instance the website of the Conference Board of Canada: www.conferenceboardofcanada.ca.

¹⁵ Human Resources and Skills Development Canada (2009): *Sector Council program – briefing for the EU study tour*. Ottawa

¹⁶ For a description of the evaluation model see: UK Commission for Skills and Employment (2008). *Empowering SSCs – Employer driven skills reform across the UK: a relicensing Framework for Sector Skills Councils*. London, UKCES

¹⁷ See e.g. the country reports produced in the OECD Learning for Jobs initiative: www.oecd.org/edu/learningforjobs

Table 2.7 Factors for success of national level Sector Councils

Sector focused

- Focus on broadly defined sectors instead of on specific occupations. Sector representatives find it, when there is a need in the sector, 'easier' to merge or redefine occupations when they are dealing with a whole sector than when they are responsible for one or a few occupations.
- Allow sectors to define themselves. Accept that there might be some overlap between them.

Needs-only basis

- Set up a Sector Council only when there is clear and recognised necessity to do so. Growth or decline in a sector, a shortage of skilled labour, skills development or job related issues and a demand for new types of competencies, e.g. as a result of the 'greening' of the sector, are good reasons to start a Council.
- Take good account of the needs of SMEs, as they are the backbone of most sectors. All Sector Councils, but in particular Sectoral Training Funds for continuing training, must do so.
- Stop funding a Council when it is no longer responding to recognised need.

Good, broad based governance

- Ensure the participation of employers and employees and, where relevant, training providers and government in the board.
- Choose for either a small board (to enhance decision making processes) or a large one (to maximise representativeness). Create critical mass through inviting members who know the sector and are known in it.
- Ensure pro-active, strong leadership both of the Council's board and of the Council's office. In the UK and Canada the board is usually chaired by a CEO well known in the industry.
- Agree to NOT discuss labour relations in the Sector Council. The emphasis must be on issues relevant for both employers and labour. Experiences in France, Italy and Spain point in the same direction.

Strong strategic partnerships

- Let Sector Councils build up relationships with:
 - Primary and secondary general education schools, through providing information about occupations and careers in the sector.
 - Post-secondary training providers, through providing curriculum materials and industry contacts.
 - Firms through providing training materials (including e-learning) and HRD strategies.
 - Policy makers through underpinning economic development activities.
 - Other Sector Councils, in e.g. an Alliance of Sector Councils, where they exchange information and tools and design common procedures, e.g. as regards the development of national occupational standards.
- Allow for sufficient time to build up these relationships.

Output-focused working strategies

- Focus on industries' real and immediate needs, e.g. a need for labour market information or means to retain workers in the sector. In the words of a Canadian expert: *"Focus on what keeps employers awake at night"*.
- Develop within the Sector Council a common, articulated vision of the future of the sector and set clear intermediate goals in working towards that future.
- Implement an effective communication strategy.
- Aim at achieving early impact by focussing on a limited number of activities and on the quick delivery of high quality output.
- Produce visible, attractive, effective outputs – for both small and large firms - as they help to achieve impacts and result in lasting credibility amongst employers and other stakeholders in the sector.
- Limit bureaucracy to the minimum.

2.6 Conclusions

In this chapter four main issues were addressed: which Sector and Transversal Councils are active in the Member States, which sectors do they cover, what are the main features of these Councils and what makes them successful? On the basis of the answers given in the preceding sections, the following conclusion can be drawn.

Most Member States already have Sector and/or Transversal Councils

Sector and Transversal Councils are active in many of the Member States. In 22 Member States a total of 44 series of Councils were found. Of them 43 percent is sectoral and 57 percent transversal. The majority, i.e. three-quarter, of the Councils is active at the national level. In two of out three Members States there is at least one Council dealing with initial vocational education and training active and in two out of five one dealing with continuing vocational training. The overall number of Sector and Transversal Councils is guesstimated at 2,500+

There are two types of Sector and three types of Transversal Councils.

Looking at their main task and the composition of the boards, five types of Councils can be distinguished. In 13 Member States there are Sector Councils dealing with initial vocational education and training and/or continuing vocational training. The three types of Transversal Councils are divided over 17 Member States. The higher number of Transversal Councils could be due to the fact that smaller Member States only have a Transversal Council, which act as umbrella organisation for sectoral working groups, while larger Member States have both one Transversal Council and a series of Sector Councils.

Some Member States implement other methods than Sector Councils to deal with trends on the labour market

In five Member States no Sctor or Transversal Councils were identified. In these countries other methods, which do not meet all criteria for Councils as applied in this study, are implemented. These methods include temporary working groups and groups in which only one type of stakeholder is represented.

EU level Sector Council have several potential anchor points in the Member States

The various types of Sector and Transversal Councils, but in particular the national Sector Councils for IVET and CVT, and their alternatives, can be regarded as the prime contacts and/or partners of an EU level Sector Council. Which type of Council in the Member States fits best, will depend on the remit of the EU level Council.

Sector Councils in Member States cover both large and small sectors

On the basis of information from about one-third of the Member States, it can be concluded that countries have divided the labour market in many sectors and sub-sectors. Both large and small sectors have a Council, providing anchor points for EU level Sector Councils.

Concrete tasks of Councils for IVET and CVT differ from each other.

The general task of the various Councils is the same. They all gather information about trends on the labour market and seek ways to respond to quantitative and qualitative

changes. An analysis of the information in the country reports indicated that the various Councils have, as a result of their different target groups and areas of training they are working for, different concrete tasks. National level Sector Councils for IVET focus on upgrading the qualitative link between demand of skills and competencies and the aims of training programmes. National level Sector Councils for CVT focus on offering training programmes which develop skills workers in the sector need. Transversal national level Councils for IVET and for CVT focus on horizontal issues relevant for their respective areas of training. Regional level Councils for IVET focus on planning the offer of IVET courses, based on future needs for competencies in the regional labour market.

The composition of the board of Councils for IVET and CVT differs from each other.

The organisational position of Councils for IVET or CVT differs. Sector and Transversal Councils linked to the IVET system are part of the national education and training system. Their objectives, tasks and responsibilities are outlined in laws and regulations. In most cases employers' organisations, trade unions, the ministry responsible for the sector and the IVET providing system are represented in their boards. Their main target group are trainees in initial vocational training, either in school-based or apprenticeship courses.

In contrast, Sector Councils for CVT are bodies linked to social partner organisations. In almost all cases, they are financed and led by them. Usually, half of the representatives in the board have an employers' background and the other half comes from the trade unions. The main target group are workers in the sector.

Sector Councils can be effective

In the almost 20 years that the Canadian Sector Councils have been in existence, a series of evaluation has been carried out. The general conclusion is that the actions of the Councils have had a positive impact on sectors, enterprises, employees and employers. The UK Sector Skills Councils and the Finnish National Educational Training Committees are younger, but the evaluations carried out as part of re-licensing processes have shown a number of positive results.

Factors for success of national level Sector Councils are identified

In order to achieve impact, national level Sector Councils should, according to information from the Member States and Canada: focus on trends in the sector as a whole; work on a needs-within-the-sector basis only; have a good, broad-based governance structure, in which top level executives within the industry play a leading role; build up strong strategic partnerships with policy makers, the training system and research institutes; and, finally, have output-focused working strategies. These recommendations could be relevant for EU level Sector Councils in supporting national level counterparts.

Models to evaluate Sector Councils are available and tested

On-going monitoring of the activities and the outputs of Sector Councils is valuable. Evaluation can only take place when the objectives and tasks of a Council are clearly formulated. Both In Canada and the United Kingdom sophisticated models for formative and summative evaluations have been developed and implemented.

3 Potential impact of EU level Sector Councils

3.1 Introduction

In this chapter the focus is on the potential impact of EU level Sector Councils. Potential impact is the degree of success such Councils could have in achieving their intended outcomes. Such intended outcomes range from increasing the employability of young people in training and workers on the labour market, via identifying and responding to skills and job gaps on the labour market to supporting the work of national level Sector Councils. In section 3.2 the concept of impact in relation to Sector Councils is further analysed. In section 3.3 the opinions of stakeholders, including social partners, policy makers and representatives of the training systems, about the potential impacts of EU level Sector Councils are presented.

In the following sections three questions are posed regarding the effectiveness of EU level Sector Councils. In section 3.4: is focussing on developing joint policies more effective than exchanging tools and information? In section 3.5: leads a focus on initial and continuing training to a higher level of impact than a focus on continuing training only? And in 3.6: are there differences in expected impact between economic sectors? In section 3.7 the key determinants of impacts are highlighted. The chapter ends with a number of conclusions.

3.2 Dimensions of impact

Impact is the degree of success an action or intervention has in achieving its outcomes. In table 3.1 the links between the aims of a Sector Council at final, intermediate and concrete level are presented. Additionally examples of actions are mentioned that could be taken by an EU level Sector Council.

The basic assumption is that an EU level Sector Council can have three final aims:

- to further the employability of workers,
- to increase the performance of enterprises,
- to enhance the quality of the work and outputs of Sector Councils in the Member States.

These three aims are highly interrelated. A high performing firm or organisation is productive and competitive. An important condition for this is skilled and competent workers, in other words highly employable staff. The first two final aims are directly linked to vocational training, as training has a direct impact on employability and the performance of workers. The third final aim, the quality of Sector Councils, is indirectly

linked to vocational training. An EU level Sector Council aims at enhancing the quality of national level Sector Councils, which in turn seek to enhance employability and economic performance within their sector.

Table 3.1 Final, intermediate and concrete aims of EU Sector Councils and examples of actions

FINAL AIMS	INTERMEDIATE AIMS		CONCRETE AIMS	ACTIONS BY EU COUNCIL (EXAMPLES)
	Dimensions	Areas of impact		
ENHANCED EMPLOYABILITY OF WORKERS	(A) Impact on the alignment of vocational education and training and the labour market	Greater responsiveness of vocational education and training to sector skills needs	Improve quantitative match between IVET and sector labour market	Support periodical collection of national labour market data in comparable forms
		Enhanced skills and competencies of labour market entrants	Make education and training more responsive to changes in skills needs Ensure that entrants to the sector have appropriate skills (qualitative match)	Identify/disseminate good practices of effective procedures to translate qualitative skills needs into training programmes/curricula Disseminate information and organise discussion on new skills needs Participate in relevant EU policy discussions (i.e. EQF, ECVET)
HIGHER PERFORMANCE OF ENTERPRISES	(B) Impact on the sector	Higher employability of workers	Promote continuing training of workers	Identify/disseminate good practices for enhancing participation in CVT
		Upgraded skills and competencies of workers Greater labour productivity Increased competitiveness of companies Increased convergence of sector policies in the Member States	Improve skills of workers Improve productivity Increase competitiveness of companies Alignment of sector policies in the Member States	Identify/disseminate effective ways of financing CVT Identify/disseminate information on emerging new skills needs Identify/disseminate good practices of effective procedures to translate new skills needs into effective CVT programmes

FINAL AIMS	INTERMEDIATE AIMS		CONCRETE AIMS	ACTIONS BY EU COUNCIL (EXAMPLES)
	Dimensions	Areas of impact		
	(C) Impact on labour mobility	Greater mobility of workers	Improve mobility of workers between Member States	Active participation in EU policy initiatives regarding recognition of qualifications (EQF, ECVET) Provide EURES with information on job opportunities in the EU.
MORE EFFECTIVE NATIONAL LEVEL COUNCILS	(D) Impact on Sector Councils	Better functioning of Sector Councils at national level	Support existing Sector Councils in the Member States Promote establishment of new Sector Councils in the Member States Develop synergies between Sector Councils in the Member States	Identify/disseminate good practices of national SeCos Act as contact point/clearing house for information exchange between national SeCos Organise periodic conferences for representatives of SeCos

Note: Actions undertaken by Sector Councils to achieve the concrete aims included in this table are listed in table 2.6 and described in section 2.3.

Note: 'Areas of impact' and 'concrete aims' are taken from the survey questionnaire (see annex to chapter 3 in the annexes to this report).

Employability of workers is enhanced through achieving a better alignment, i.e. a greater responsiveness, of vocational education and training to the labour market. Sector Councils strive after bringing the worlds of training and employment 'closer together'. Through policy measures they seek to bridge the qualitative and/or quantitative divide between the two worlds. A better qualitative match means that labour market entrants have appropriate knowledge and skills; a better quantitative match implies that young people are trained for those sectors in the economy where currently or in the future jobs are available.

Examples of concrete actions relating to the employability of workers

In order for the education and training system to be more responsive to quantitative and qualitative labour market trends comparable information on these trends has to be (come) available. For this, the EU level Sector Council can play a supportive role in the support of the periodical collection of national labour market data in comparable forms, ultimately presenting a 'meta-analysis' on EU labour market trends in the sector. Obviously, agreement on definitions (e.g. sector demarcation, vacancies) and ways of data collection is needed for this, which could be effectively coordinated by the EU level Sector Council. This also applies to the identification and dissemination of emerging new skills needs and effective procedures how these can be translated into new training programmes/curricula. This kind of

activities and information would also feed well into relevant EU policy discussions, like for instance the EQF, ECVET in which the EU level Sector Councils could be actively involved or consulted.

Performance of enterprises is enhanced through creating the conditions for greater productivity and competitiveness. EU level Sector Councils do so in three ways. The first one, i.e. increasing the skills and competencies / employability of the workforce, is related to the continuing training system. Sector Councils identify the training needs of workers and respond to them through promoting, providing and/or funding training. The second way is through the increased matching of sector related policies on e.g. continuing training. Such policies can be agreed between social partners and/or governments. The third approach consists of enabling and fostering mobility of workers. Mobility can contribute to competitiveness through ensuring that the right kind of competencies is available at the right time at the right place in the EU.

Examples of concrete actions relating to the performance of enterprises

In order for the CVT system to be responsive to changing skills needs information on these changing skills has to be (come) available. The EU level Sector Council can play a supportive role in the mapping and dissemination of information on qualitative changes taking place in the skills needs in the sector for instance due to changes in production methods or services delivered. This kind of activities and information would also allow the EU level Sector Council to participate in relevant EU policy discussions, like for instance the EQF, ECVET. Mutual recognition of workers qualifications could eventually lead to a better functioning of the EU labour market, ultimately contributing to a better performance of the companies in the sector. The same would also apply to the mapping and dissemination of good practices for enhancing participation in and the financing of CVT, which in general often appear to be problematic.

Effectiveness of national level Sector Councils can be enhanced by an EU level Council through supporting existing national level Councils for instance by making information and tools available, through improving the transnational cooperation between them and through supporting the setup of new Sector Councils in Member States.

Examples of concrete actions relating to the effectiveness of national level Sector Councils

In order for an EU level Sector Council to be successful, effective national level Sector Councils need to be available. The EU level Sector Council can play an initiating and supporting role in this. It can identify and disseminate good practices of national Sector Councils. At the same time it can act as a contact point or clearing house for information exchange between national Sector Councils, so that these can learn from each other, for instance as regards organising employers' support for a Sector Council, conducting labour market analysis etc. At European level the EU Sector Council can organise periodic conferences for exchanging information and goal setting for the future of the EU Sector Council.

3.3 Potential impacts: overall and by group of stakeholders

To be able to assess to what extent an EU level Sector Council could achieve impact the respondents in the survey were asked what: “*would be the possible impact of an EU level*

Sector Council on” the nine areas of impact listed in the third column of table 3.1. Their answers are presented in table 3.2¹⁸.

The respondents are positive about the impact an EU level Sector Council could achieve. *Their overall expectation is that EU level Sector Councils will achieve medium level impact.* The average score for the nine areas of impact is 1.7 on a max. = 3 scale.

Overall, the respondents are most positive about the contribution a Council could make to *aligning vocational education and training better to qualitative needs on the labour market* (score: 1.9). In particular they see a role for the Council in making the training system more responsive (score: 2.0). In second place comes the expected impact of EU level Sector Councils on *the functioning of national level Sector Councils* (score: 1.8). Respondents expects that the exchange of ideas on how to set up a Council and how to make it function effectively (see the suggestions in table 2.8) will give a boost to national level Council systems. The potential *impact on the sector* takes third place (score: 1.6). This relatively low score is a bit surprising, as making the sectoral labour market and its related training system better function is an important objective of Council. A closer look at the scores provides an explanation. The impact score on the sector is based on five items. Three of them (impact on skills of workers, employability of workers and alignment of sector policies) are direct effects of actions of a Sector Council, and the two others (labour productivity and competitiveness of firms) are indirect effect of what can be achieved by a Council. The average score of the direct effects (1.8) is much higher than that of the indirect effects (1.4). The reason might be that productivity and competitiveness, generic features of an enterprise, are under the influence of a wide range of factors, including innovations, production methods, et cetera, which make it extra hard for an EU level Council to achieve impact. Respondents can have taken these other factors into account in making their impact assessment. As a result, respondents are positive about the direct impact of a Council on the sector, but less about the indirect effect. *Impact on mobility* (score: 1.6) takes place four. Respondents expect again a medium level impact.

¹⁸ To enable a concise presentation and straightforward comparison of the answers to the questions in the survey, the answers have been recoded (no impact = 0, small positive impact = 1, medium positive impact = 2 and high positive impact = 3) assuming equidistance between the answers. On this basis averages were calculated. Although the answers are treated as ratio level measurements in the tables, in the description of the outcomes this is not the case. The different answers are compared as if they are based on ordinal level measurements, stating that for instance the outcome for trade unions is higher than that of employers' associations instead of reporting that the outcome is e.g. 20% higher.

Table 3.2 Potential impact of an EU level Sector Council, overall and by type of stakeholder

	Impact score overall	Stakeholders			
		Trade unions	Em- ployers	Educa- tion	Govern- ment
Assessment of the possible impact on the items below	avrg	avrg	avrg	avrg	avrg
More responsiveness of education and training to changes in skills needs within the sector	2.0	2.2	1.8	2.1	1.9
Skills and competencies of labour market entrants	1.8	1.8	1.6	1.9	1.9
<i>Dimension A: impact on alignment of vocational training and labour market</i>	1.9	2.0	1.7	2.0	1.9
Skills and competencies of workers in the sector	1.8	2.1	1.5	1.8	1.8
Employability of workers in the sector	1.8	2.1	1.6	1.9	1.6
Labour productivity	1.4	1.5	1.4	1.3	1.4
Competitiveness of companies in the sector	1.4	1.4	1.2	1.4	1.7
Alignment of sector policies in the Member States	1.8	1.8	1.7	2.0	1.8
<i>Dimension B: Impact on the sector</i>	1.6	1.8	1.5	1.7	1.7
<i>Dimension C: Impact on mobility</i>	1.6	1.9	1.6	1.4	1.7
<i>Dimension D: Impact on Sector Councils at national level</i>	1.8	1.9	1.6	1.9	1.9
<i>Overall expected impact</i>	1.7	1.9	1.6	1.8	1.9
N varies between	91 – 98	15 – 17	33 – 35	27 – 30	16 - 17

Note: Highest impact score = 3. Interpretation of impact scores: 0-0.5 is no impact; 0.5 – 1.3 is small impact; 1.3 – 2.3 = medium impact and 2.3 – 3.0 is high impact.

Note: All scores calculated on the basis of question 15 in survey, except the mobility score which is derived from question 14. For the survey questions, see annex 'Questionnaires web survey' in the annexes to this report.

There are, with one exception, *no great differences of opinion between the stakeholders about the possible impact of an EU level Sector Council*. Overall, they all expect medium level impacts with scores ranging from 1.6 to 1.9. The order in which they expect impact on the four dimensions (on alignment of the training system and the labour market, on the sector, on national level Sector Councils and on mobility) is the same. The exception in this case are the employers. As regards the contribution of an EU level Council they are, with a score of 1.6, less optimistic than the trade-unionist, the policy makers and the representatives of the training system. In six of the nine areas of impact employers have the lowest expectation about the potential impact.

3.4 Impact of Sector Council: exchange of information or joint policy development?

On what type of actions should an EU level Sector Council focus to achieve impact: on the exchange of information and tools or on the development of joint policies and actions at sector level? In the exchange mode the focus would be on acting as a clearing house about e.g. labour market information concerning quantitative and qualitative gaps and for tools for the development of occupational profiles and the delivery of initial and

continuing training. In the policy mode the focus would be on the joint development of qualifications, the promotion of new ways to accredit skills and competencies and on transnational initiatives to attract young people and worker to the sector.

The question: “*should an EU level Sector Council in your view focus mostly on the exchange of tools and information or on the development of joint policies and activities?*” was included in the survey. Excluding the no opinion group (11 percent of respondents), within the remaining group of respondents (89%) six out of ten opted for the ‘exchange of information and tools mode’ and four out of ten for the ‘development of joint policies and actions mode’.

Do the respondents who prefer one or the other option expect different types of impact from a Sector Council? The answer is a clear yes (see table 3.3). *Respondents who prefer the joint development of policies expect a greater impact of EU level Sector Councils than those who focus on the exchange of tools and information* (score for exchange: 1.6 and for joint action: 1.9). On all four impact dimensions and on all impact areas (see table 3.1, columns 2 and 3), those who prefer joint policies and actions have much higher expectations about what an EU level Sector Council can achieve. Not surprising the largest difference between the expectations of the two groups concerns the role of policies, i.e. alignment of sector policies (scores: 1.6 versus 2.1).

An analysis of the answers for the four groups of stakeholders did not reveal any significant differences between the groups. This implies that those who prefer the exchange mode or the joint action mode are evenly divided over the four groups of stakeholders.

Table 3.3 Expected impact of EU level Sector Councils, overall and by respondents preferring either an exchange of tools and information or joint policy development

	Impact score overall	Focus of Sector Council	
		Exchange of tools and information	Development of joint policies and actions
	avrg	avrg	avrg
More responsiveness of education and training to changes in skills needs within the sector	2.0	1.9	2.2
Skills and competencies of labour market entrants	1.8	1.7	2.0
<i>Dimension A: impact on alignment of vocational training and labour market</i>	1.9	1.8	2.1
Skills and competencies of workers in the sector	1.8	1.6	2.0
Employability of workers in the sector	1.8	1.7	2.0
Labour productivity	1.4	1.4	1.6
Competitiveness of companies in the sector	1.4	1.3	1.6
Alignment of sector policies in the Member States	1.8	1.6	2.1
<i>Dimension B: Impact on the sector</i>	1.6	1.5	1.9
<i>Dimension C: Impact on mobility</i>	1.6	1.4	1.8
<i>Dimension D: Impact on Sector Councils at national level</i>	1.8	1.4	2.1
<i>Overall expected impact</i>	1.7	1.6	1.9
N varies between	91 – 98	49 – 54	34 – 36

Note: Highest impact score = 3. Interpretation of impact scores: 0-0.5 is no impact; 0.5 – 1.3 is small impact; 1.3 – 2.3 = medium impact and 2.3 – 3.0 is high impact

Note: All scores calculated on the basis of question 15 in survey, except mobility score which is derived from question 14. For the survey question, annex 'Questionnaires web survey' in the annexes to this report

3.5 Impact of Sector Councils: IVET, CVT or both?

In the survey the respondents were asked to indicate their preference as regards the main focus of an EU level Sector Council: should it be on IVET, ON CVT or on both? The great majority of the respondents (72 percent) opted for a dual focus: on IVET and CVT; a small minority of 12 percent opted for a focus on CVT and rest choose either a focus on IVET (5 percent) or had no opinion (11 percent). The IVET option was chosen by only 5 respondents; it is therefore excluded from the analysis.

Is a preference for one of these options linked to a difference in expectations as regards the impact an EU level Sector Council can achieve? Table 3.4 shows that this is indeed the case. *Respondents who have a preference for the IVET + CVT or for the CVT options expect rather different patterns of impact.* Both groups expect a medium level impact overall and on the four impact dimensions. The differences in expectation come to the fore at the level of the areas of impact.

Those who prefer a clear focus on continuing training expect that an EU level Sector Council will make a recognisable contribution to the enhancement of the skills and competencies of workers, to their employability and to the productivity of firms. All these elements are linked to continuing training.

In contrast, those who opt for a simultaneous focus on initial and continuing training, think that the EU Sector Council will have a specific impact on the competencies of labour market entrant and on the alignment of sector policies in the Member States. In the other areas of impact that are no differences between the two options.

As regards overall impact there is no reason to choose either the IVET + CVT option or the CVT option. In both cases the overall expected impact score is the almost the same. A preference for one or the other option depends on the specific objectives one seeks to achieve. If a Council seeks to achieve impact on workers and firms in a sector, a CVT focus is the more promising option.

Table 3.3 Expected impact of EU level Sector Councils, overall and with a focus on initial and continuing training or on continuing training only

	Impact score overall	Focus on	
		Focus on IVET + CVT	Focus on CVT
	avg	avg	avg
More responsiveness of education and training to changes in skills needs within the sector	2.0	2.1	2.2
Skills and competencies of labour market entrants	1.8	2.0	1.4
<i>Dimension A: impact on alignment of vocational training and labour market</i>	1.9	2.1	1.8
Skills and competencies of workers in the sector	1.8	1.9	2.3
Employability of workers in the sector	1.8	1.9	2.0
Labour productivity	1.4	1.5	1.8
Competitiveness of companies in the sector	1.4	1.5	1.5
Alignment of sector policies in the Member States	1.8	2.1	1.3
<i>Dimension B: Impact on the sector</i>	1.6	1.8	1.7
<i>Dimension C: Impact on mobility</i>	1.6	1.5	1.6
<i>Dimension D: Impact on Sector Councils at national level</i>	1.8	2.0	1.8
<i>Overall expected impact</i>	1.7	1.9	1.8
N varies between	91 – 98	58 – 62	10 – 13

Note: Highest impact score = 3. Interpretation of impact scores: 0-0.5 is no impact; 0.5 – 1.3 is small impact; 1.3 – 2.3 = medium impact and 2.3 – 3.0 is high impact

Note: All scores calculated on the basis of question 15 in survey, except mobility score which is derived from question 14. For the survey question, see the annex 'Questionnaires web survey'. In the annexes to this report

Note: Focus on initial training not included in the table due to less than 10 respondents.

3.6 Impact of Sector Councils: variation between economic sectors?

As part of the study an in-depth analysis was made of the potential impact of EU level Sector Councils in five sectors: construction, horeca, hospitals, ICT and textiles and clothing. For more information about the choice of these sectors, see section 1.4.3.

The survey results show that in the sectors for which sufficient information is available a medium level impact is expected. There are, however differences between the sectors. Stakeholders in the construction sector are most positive about the potential impact of an EU level Sector Council. Stakeholders in the other sectors expect an effect either a bit

above the overall impact average, i.e. the trade unionist, employers and policy makers in the ICT sector, or a bit below it, i.e. the trade unionist, the employers and VET representatives in the textiles and clothing sector. No reliable impact scores for separate groups of stakeholders per sector could be calculated, due to the low number of respondents.

Table 3.4 Expected impact of an EU level Sector Council, overall and by sector

	Impact score overall	Sectors			
		construc- tion	ICT	textiles and clothing	Other sectors
	avrg	avrg	avrg	avrg	avrg
More responsiveness of education and training to changes in skills needs within the sector	2.0	2.2	2.2	1.9	1.9
Skills and competencies of labour market entrants	1.8	2.2	2.0	1.4	1.8
<i>Dimension A: impact on alignment of training and labour market</i>	1.9	2.2	2.1	1.7	1.8
Skills and competencies of workers in the sector	1.8	2.3	2.0	1.6	1.7
Employability of workers in the sector	1.8	2.1	2.2	1.5	1.7
Labour productivity	1.4	1.8	1.6	1.2	1.3
Competitiveness of companies in the sector	1.4	2.0	1.4	1.2	1.3
Alignment of sector policies in the Member States	1.8	2.2	1.7	2.2	1.7
<i>Dimension B: impact on the sector</i>	1.6	2.1	1.8	1.5	1.5
<i>Dimension C: impact on mobility</i>	1.6				
<i>Dimension D: Impact on functioning of Sector Councils at national level</i>	1.8	2.3	1.9	1.9	1.7
<i>Overall expected impact</i>	1.7	2.1	1.9	1.6	1.6
N varies between	91 - 98	15	13 - 14	12 - 13	39 - 45

Note: Highest impact score = 3. Interpretation of impact scores: 0-0.5 is no impact; 0.5 – 1.3 is small impact; 1.3 – 2.3 = medium impact and 2.3 – 3.0 is high impact

Note: All scores calculated on the basis of question 15 in survey, except mobility score which is derived from question 14. For the survey question, see annex 'Questionnaires web survey' in the annexes.

Note: The sectors hospitals and horeca are excluded from the table due to less than 10 respondents.

Note: No mobility scores per sector are included, due to less than 10 respondents.

As regards the impact pattern, there are no great differences between the sectors. The expectations are the highest for the direct impacts, i.e. on the alignment of training and the labour market, on skills of workers and labour market starters and on the effectiveness of national level Councils, and the lowest for the indirect impacts, i.e. competitiveness of companies and labour productivity.

In the interviews with the national and the EU level stakeholders in the five sectors background elements of these expected impacts were sketched. The experts agree that EU level Sector Councils can play an important role in:

- Bringing together and comparing quantitative and qualitative labour market trends in the Member States. *“Continue the work on future skills and jobs, take account of the*

effects of the introduction of new technologies in the sector into account” (construction, trade union). This could be done by: *“acting as the central point of a network of national sectoral labour market observatories and developing common formats to collect and analyse data”* (textile, employers). Also information about EU level policies, trade agreements and the effects on the sector should be collected and disseminated (textile, trade union and ICT, trade union).

- Analysing the data as regards implications concerning employment options, required adaptations of IVET and CVT training, the promotion of the sector, et cetera leading to advice and recommendations.
- Making recommendations and giving advice to e.g. EU and national level employment and training authorities and Member States’ Sector Councils on potentials (joint) actions. Such actions could include: *“meeting the challenge as regards the need for up skilling in the sector”* (ICT, trade union); fostering mobility as part of initial vocational training courses (textile, employers) or for workers, in general; promoting the sector (textile, employers and trade unions from several countries); provision of HRD tools to SMEs and large enterprises so that they *“learn how to manage change”* (textile and ICT, trade unions). The EU level Councils should have an open eye for the exchange of tools (*“show how things are done in other member States”* (construction, employer)) and the achievement of synergy effects.
- Carrying out ex ante analysis of the effects of policy measures. Information which should be fed back to the European level and the national level social dialogues (hospitals, trade union). This could lead to the drafting of recommendations for EU policy.

These actions will lead to significant impact, provided; *“the outcomes are practical. The social partners have a need for them to be able to build their policies on them”* (hospitals, trade union) and *“have a ‘visible’ added value, which can only be the case when outputs are tailored to national level needs in the sector”* (construction, employers). The general recommendation coming out of the interviews is: compile with the national level representatives a list of the most pressing issues in the sector and focus EU level activities on them in the first years.

3.7 Key determinants of potential impacts

What ensures the success of an EU level Sector Council? The determinants of the impact of a national level Sector Council were discussed in chapter 2. But these factors for success can not simply be transposed to the EU level. There are, however, three determinants which play, according to the information in the telephone interviews with national level experts¹⁹ and the discussion with the experts during the study visits, a key role in ensuring that a Sector Council achieves impact.

Experts agree that to achieve impact, a necessary condition is that *a Sector Council at EU level responds to the needs of its main client groups*. In the words of a Canadian expert:

¹⁹ See annex 1, part 1, for a list of the interviewed member states’ experts.

“a Sector Council must focus on what keeps employers awake at night”. An EU level Council, acting on the interface between the labour market and the initial and continuing training systems, has a range of clients it has to deal with. Its client groups include, in the first line, the employers and the trade unions and the representatives of the initial and continuing training system at policy and implementation level. They are put in the first line as it is expected that, whenever decisions as regards training need to be taken, it will be these stakeholders which will play a prominent role. In the second line, there are the institutions that provide background information. These include amongst others, statistical offices, regional labour market observatories and research institutes which provide information on trends on the labour market. Universities and other centres of expertise can provide information about new approaches to training, including distance learning.

This first key determinant leads to a second one: *an EU level Sector Council must have a high quality information gathering system*. The main task of this system is to identify and monitor the needs of main client and stakeholders groups. In Canada, Finland and the United Kingdom relevant models to do so have been developed. Councils in these countries keep their ‘eyes wide open’ for changes in the needs of their client groups. To become less responsive to these needs means that, in due time, a Council will receive less funding.

The information gathering leads to the third key determinant of impact: *an EU level Sector Council must have clear objectives*. A Latvian expert: “*it must be clear why, where, when, for what reason we take part and what the benefits will be.*” In the telephone interviews two main categories of possible objectives are indicated:

- Short / medium term needs on the labour market: “*start with addressing practical issues which have a direct positive effect on the sector*”: this recommendation of a Dutch expert is in line with output focused working strategies of the Canadian Councils (see section 2.5).
- Long(er) term objectives. These objectives concern for instance reaching agreements at EU level about joint approaches to monitor the quality of training or strategic agreements to make mobility between national labour markets easier.

It will be very easy for Sector Councils to have too many objectives and, therefore, too many tasks. It will be a challenge to restrict the length of the list of objectives. A council can, according to a UK expert, only achieve impact when it has an: “*interesting, passionate, positive goal!*”

These three elements - a focus on client’ needs, a high quality information gathering system and clear, time limited objectives – offer a strong basis for an EU level Sector Council to achieve impact. Once decisions about the main objectives of a Council are taken, it will be possible to identify other impact stimulating features such as main tasks (e.g. promoting continuing sector level continuing training), target groups to be involved (e.g. the social partners must be in), meeting mechanisms, links with Member States bodies, et cetera.

3.8 Conclusions

As regards the expected impact of EU level Sector Councils the following conclusions can be drawn.

Stakeholders expect that EU level Sector Councils will, overall, have a positive effect

The greatest impact is expected on the alignment of vocational education and training and needs on the labour market. Stakeholders think that the training systems will become more responsive to skills needs in the sector. Secondly, survey data indicates that a positive impact is expected on Sector Councils at national level. Synergy between Councils in different Member States will enhance the quality of their activities. Impact on the sector takes third place. While strong effects on skills of workers and on their employability are expected, the impact on their productivity and the competitiveness of firms is rated lower. Finally, of the Councils only some impact on the mobility of workers is expected.

Stakeholders expect a high medium impact as regards direct effects and a low medium impact as regards indirect effects. Indirect effects, such as impact on labour productivity and competitiveness, are 'caused' by direct effects, such as impact on the competencies of workers and on the link between IVET and skills needs on the labour market, of an EU level Sector Council. Stakeholders expect medium level effectiveness of Councils in achieving direct effects and, given the distance between the EU and the national level Sector Councils, a smaller effectiveness in achieving the indirect effects.

Trade unionist, policy makers and training organisations expects higher impacts from an EU level Sector Council than employers

All stakeholders have impact expectations which fall in the medium level range. Within this range, the expectations of the trade unionist, policy makers and training organisations are higher than those of the employers.

EU Level Sector Councils which develop joint policies and actions are expected to achieve greater impact than those which focus on exchange of tools and information

Three out of five stakeholders prefer, in a situation where they had to choose one or the other option, for an EU level Sector Councils to act as a clearing house for information, tools, products, et cetera. Two out of five prefer a focus on the joint development of policies, actions and products. Those who prefer the last mentioned model expect that joint activities will achieve a significantly higher level of impact on training systems, enterprises and national level Sector Councils than the exchange option.

Between economic sectors, no great differences in impact are expected

The expectations for the construction sector are, however, somewhat more positive than for the ICT and textile and clothing sectors. In interviews with stakeholders at EU and Member State level in five sectors the general opinion is that EU level Sector Councils should focus on bringing together and comparing quantitative and qualitative data on labour market trends, analysing the data as regards implications concerning employment options, adaptations of IVET and CVT training, the promotion of the sector, et cetera and on providing information and fostering joint action on these issues.

4 Feasibility of EU level Sector Councils

4.1 Introduction

This chapter assesses to what extent setting EU level Sector Councils on Employment and Skills (EU Level Sector Councils) is feasible, and which factors hamper or further the feasibility of this initiative.

Feasibility depends to a large extent on the participation and commitment of stakeholders. In turn, this participation and commitment and hence feasibility cannot be assessed without taking into account the envisaged design of the Councils. In fact, the choices made with regard to this design are one of the key determining factors for the feasibility of its introduction, continued existence and success. Feasibility also concerns more practical aspects, i.e. the economic and technical considerations. Finally, the initiative needs to bring parties something they cannot obtain elsewhere. Feasibility is thus a multi-dimensional concept, covering beneficiary profiles, operational feasibility, economic and technical feasibility, as well as the competitive advantage. Table 4.1 lists these dimensions and explains how they will be addressed. For our assessment we make use of the survey and the in-depth -telephone interviews conducted in the framework of this study.

Table 4.1 Dimensions of feasibility

Dimension	Coverage in the current study
Beneficiary profile	Analysis of likely participants, by sector and type of stakeholder
Operational feasibility	Analysis of the likely participation by stakeholders and of the conditions that will further or hamper this participation
Economic feasibility	Assessment of the benefits foreseen by stakeholders and the support they would desire from the European Commission
Technical feasibility	A review and discussion of the design and technical support desired by stakeholders.
Competitive advantage	Added value of the EU initiative as perceived by stakeholders

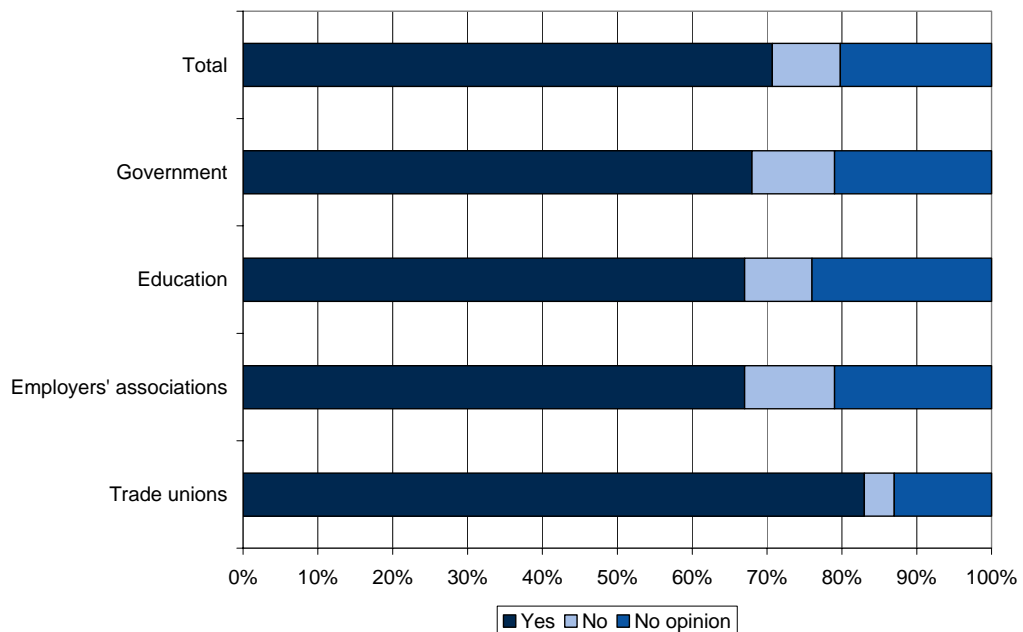
Section 4.2 introduces the stakeholders and potential participants of EU Level Sector Councils and reviews their interest in participating. Section 4.3 reviews the importance of various design features for the commitment of stakeholders to the idea of EU Level Sector Councils, thus assessing its operational feasibility. The remaining three dimensions – economic and technical feasibility and competitive advantage – are assessed in sections 4.4, 4.5 and 4.6.

4.2 Potential interest amongst stakeholders – beneficiary profile

In order to obtain a more quantitative insight of the feasibility of EU Level Sector Councils a number of questions on this subject was inserted in the questionnaire amongst stakeholders of the five selected sectors: horeca, construction, ICT, textile and clothing and hospitals. At first sight the survey suggests that interest is potentially high. However, given the expected bias of the survey, this conclusion needs to be treated with considerable reservations. The conclusions on higher interest amongst specific groups are less affected by the bias and hence more likely to be true for stakeholders in general.

When asked at the beginning of the questionnaire whether interviewees felt it would be useful to have EU Level Sector Councils a strong majority (some 70%) indicated they did. Interest is higher amongst organisations with a clear link to a specific sector. Amongst other organisations though still slightly more than half felt having EU Level Sector Councils would be useful, with another one third having no opinion. Interest is higher amongst trade unions than amongst employers.

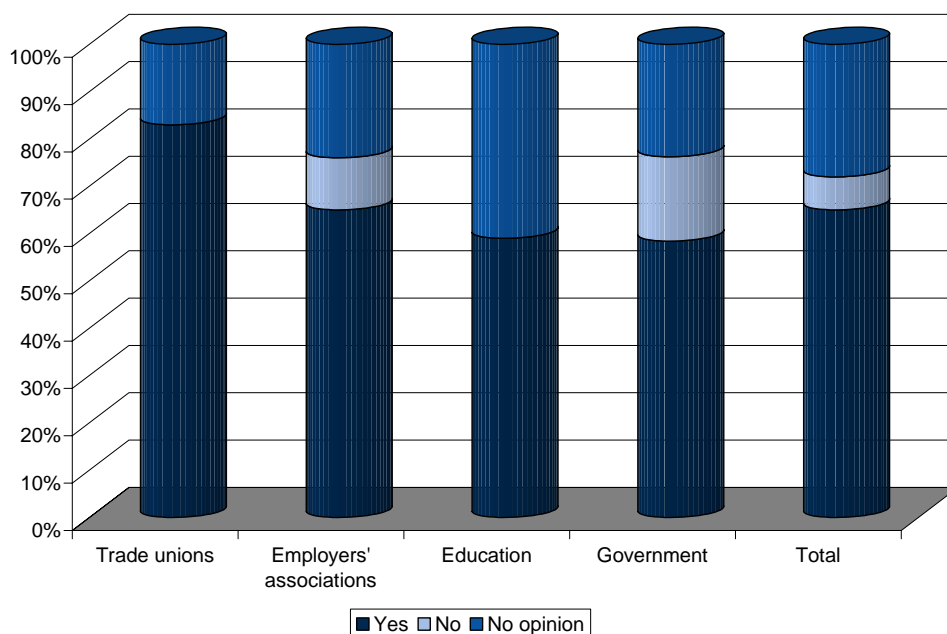
Figure 4.1 Usefulness of EU Level Sector Councils according to different types of stakeholders', in %



At the end of the questionnaire interviewees were asked whether their organisation would in principle be interested to participate in an EU level Sector Council. This time 65 percent responded positively. Differences between types of stakeholders were more pronounced than with regard to their initial views on the usefulness of such Councils. Trade unions are clearly more inclined to participate (83%) than others. So are employers' organisations, but individual employers lower the overall score of employers. All in all it can be concluded though that social partners are more inclined to participate than others.

As was to be expected, organisations that find the idea of EU Level Sector Councils useful are much more interested to participate and vice versa. Some 80 percent of those that consider EU Sector Councils useful are in principle willing to participate.

Figure 4.2 Interest to participate in an EU level Sector Council according to different types of stakeholder, in %



4.3 Operational feasibility

4.3.1 Importance of the role played by the design of Sector Councils

The inclination of stakeholders to participate in an EU level Sector Council depends in particular on their objectives, tasks, remit and practical organisation on the one hand, and on the commitment of fellow Member State stakeholders on the other hand. All these items are awarded a medium to high impact by some 70 percent of the stakeholders. Objectives of the Councils and the commitment of other stakeholders in the respondent's country of origin are often perceived as having a high impact on the stakeholders' inclination to participate.

On the other hand, commitment of stakeholders in other Member States seems less important and generates a score of some 50 percent only.

The differences between types of stakeholders are minimal.

Table 4.2 Impact on inclination to participate in EU level Sector Councils for different types of stakeholders, % of respondents estimating a medium to high positive impact

	Trade unions	Employers' associations	Education	Government	Total
Objectives, tasks and remit	80	61	73	88	72
Practical design and organisation	70	71	58	71	67
Commitment stakeholders from MS	65	68	70	77	70
Commitment of stakeholders from other MS	40	45	52	71	50
Availability of funds	65	71	70	71	69

4.3.2 Objectives

In the previous chapter table 3.1 provided a gross list with objectives an EU level Sector Council could aim to achieve. From this study it becomes clear that the most sought after objectives for EU level Sector Councils concern the link between education and labour market: the promotion of CVT, the link between VET and the sectoral labour market, and the responsiveness of the education sector to labour market needs. The latter two are even more emphasised by the education sector.

Improving the competencies of new labour market entrants or the skills of workers in the sector occupy a middle position, with the latter being more often advocated by trade union representatives.

Objectives that generate clearly less support are those related to economic goals – productivity, mobility, competitiveness – and those related to the functioning of Sector Councils in the Member States – Synergy between Sector Councils, functioning of existing Sector Councils and promoting the establishment of new Sector Councils. Employers have a relatively high preference for the more economic goals; governmental bodies are more disposed towards the promotion of synergies between Sector Councils.

Table 4.3 Share of respondents indicating that a particular objective should be pursued for different types of stakeholders, in %

	Trade unions	Employers' associations	Education	Government	Total
Make education more responsive to changes in skills needs	65	55	79	59	65
Improve quantitative link between IVET and the labour market	57	58	61	47	57
Promote CVT	61	53	64	47	57

	Trade unions	Employers' associations	Education	Government	Total
Improve skills of workers in the sector	61	48	39	53	49
Ensure that entrants have appropriate competencies	39	48	52	53	48
Develop synergies between SeCos in MS	35	28	39	59	37
Support existing SeCos	39	30	39	35	35
Alignment of sector policies	39	33	33	18	32
Improve mobility of workers between MS	13	38	36	12	28
Increase competitiveness of companies	4	38	27	12	24
Improve productivity of workers	13	33	12	18	20
Promote new SeCos	35	10	21	24	20

4.3.3 Tasks and focus

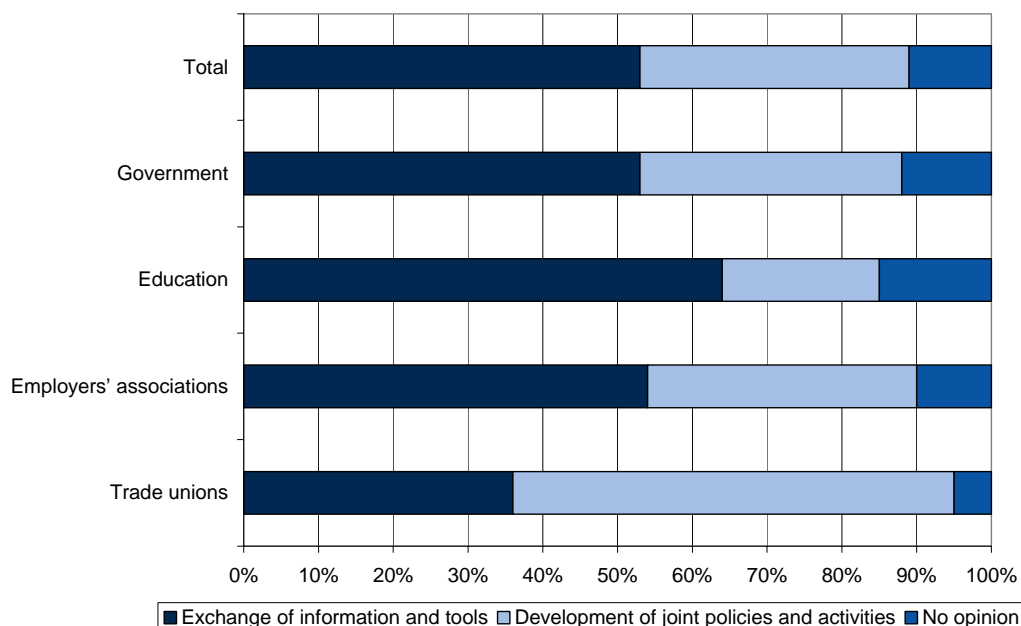
The tasks most often mentioned as worth pursuing research, especially on future skills needs in the sector, development of proposals for qualifications, and actions to promote CVT.

For most tasks respondents typically prefer either a focus on exchange of information or on a combination of information exchange and policy development, typically 40 and 45 percent respectively. The latter is relatively seldom (typically some 7%) mentioned alone. An exception in this respect are proposals for qualifications, recognition and accreditation of skills and influx of workers. Employers and to a lesser extent trade unions (re qualifications and occupational profiles) more often prefer a focus on information exchange, whereas the education sector more often prefers a focus on both.

As we saw in section 3.4, when forced to choose between ‘information exchange’ and ‘policy development’, 60 percent of the stakeholders prefer ‘information exchange’.

Hence, although information exchange is more often preferred, the development of policies can be considered attractive for certain subjects or activities, but is more likely to attract the education sector rather than social partners.

Figure 4.3 Desired focus on remit by type of task (all stakeholders), in %

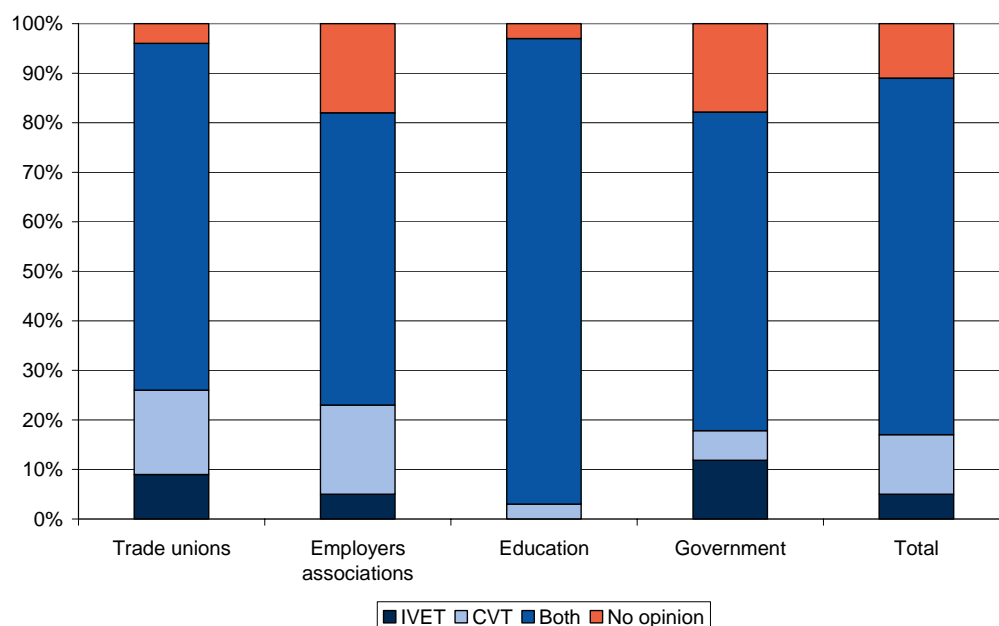


With regard to the focus on the type of education to be targeted by EU level Sector Councils, stakeholders are united in their preference for a combined focus: 72 percent feels that both IVET and CVT should be addressed by EU level Sector Councils. Only 12 percent prefers a unique focus on CVT, 5 percent on IVET and 11 percent does not express an opinion.

Social partners relatively often prefer a focus on CVT (17-18% instead of 12%). In this respect it is relevant to observe that CVT is less regulated than the IVET sector and offers more room for flexible policy making. It should also be noted, as put forward by one of the respondents, that at any time there are much more workers employed in a sector than there are future entrants to the sectoral labour market in the IVET system. This makes the expected impact of CVT related actions higher, at least in the short run than those in IVET.

Education and training providers are over-represented amongst those that favour CVT and, together with governmental bodies, those that prefer not to express an opinion. Sectoral differences are small, but the ICT sector 36 percent of the stakeholders in the survey prefers CVT, in the hospital sector 17 percent prefers IVET.

Figure 4.4 Desired focus on IVET or CVT by type of stakeholder, in %



4.3.4 Participants

A strong agreement exists amongst stakeholders that social partners should be represented in EU Sector Councils, in particular employers (93%) Trade unions are mentioned by 76 percent of the respondents, which is to a large extent due to the low number of employers indicating they should be part of EU level Sector Councils.

Other types of stakeholders are mentioned less often, ranging between 53 and 58percent. Education and training organisations are more often mentioned by education and governmental bodies.

Table 4.4 Preferred participants in EU Level Sector Councils by type of stakeholders, % mentioned

	Trade unions	Employers' associations	Education	Government	Total
Employers' associations	95	87	94	100	93
Trade unions	95	64	73	82	76
IVET providers	24	89	73	65	54
CVT providers	24	49	82	65	56
National education ministries	52	51	64	71	58
National employment ministries	48	51	58	59	54
Total	100	100	100	100	100
n=	23	39	33	17	112

4.4 Economic feasibility

From the survey, financial support does not emerge as a key determining factor for participation. However, the interviews and the missions contradict this finding. Many respondents, in both new and old Member States, indicated that their organisations were unlikely to fund or be able to fund the travel and subsistence costs involved with participating in Council meetings outside their country.

However, whereas financial resources are a condition to participation for many, the expected and realised benefits to the organisation or its objectives will be the more determining factor for continued participation. Respondents feel they need to justify the time involved in participation to their superiors or clients.

4.5 Technical feasibility

Even highly successful Sector Councils seem to find it hard to organise themselves at the international level. Finding counterparts in other countries constitutes already major hurdle. In addition, the interviews show that many interested stakeholders have little experience in working with other countries and have only the vaguest notion of what is happening at EU level. Technical support will in many cases be required at an elementary level:

- to create the required network;
- to determine the desired characteristics of an EU level Council for the sector;
- to support the organisation of meetings and follow-up actions.

It is important that the design of each Sector Council is geared towards the sector and its stakeholders. This implies that there should not be a fixed design for EU level Sector Councils.

On the other hand, many respondents expressed a fear that this new initiative would result in a number of ‘talking shops’. This calls for concrete and measurable objectives. However, this also ties in with the conclusions from the Canada and the UK missions to let the sector define itself (so there is grassroots support and representatives are actively involved in the Sector Council because of their constituents, and not to just talk) and to pursue ‘low hanging fruit’, i.e. easily achievable objectives during the first year, so the initiative does not lose its credibility”.

Some respondents, especially in new Member States indicated Brussels literally being too far away and pleaded for a decentralised setup with deputy bureaus in various EU regions. Interestingly, the UK SSCs also have offices in the four regions. A disadvantage of a decentralised setup, however, is that it puts an extra layer between Member States level Sector Council and an EU level one. Alternatively, alternation locations for meetings would be an option to overcome an uneven burden in terms of travelling time and ensure that participants get to know various parts of the Union. It may even reduce the costs of those meetings though lower hotel and venue expenses.

Another issue that came up during the interviews in particular was whether a specific approach for new MS (set up special groups / subcommittees for new MS) is required. The arguments in favour of doing so are that sectors that are most important to their economies differ from ones that are most important to the economies of western European Member States and that there is a the very different perception of mobility, with the risk of brain drain for new Member States when mobility of workers is promoted.

Another form of differentiation discussed during the interviews is a kind of multi-level setup. The ones often advocated was: employers at one level and education, ministries and trade union representatives at second level. Alternatively, a small board of sector representatives could be steering the Sector Council with an infrequent 'general assembly' of all stakeholders from all the Member States.

With regard to participants it should be noted that e.g. health care is often not the responsibility of the national / federal government. An EU level Sector Council will therefore sometimes to interface with regional / local level stakeholders and should avoid blindly targeting stakeholders at the national level.

Practical aspects to be taken into account include²⁰:

- The choice of the Sector Council chairperson: from the UK and Canada experience criteria such as respect from the sector, leadership skills emerge;
- Quick initial results ('go for the low hanging fruit') to retain credibility amongst stakeholders;
- Language may also be an issue, especially for new MS.

4.6 Competitive advantage

The added value EU Level Sector Councils could have was assessed in the survey by asking respondents to indicate what pursuing the objectives they preferred for such Councils would contribute to existing sectoral systems for anticipating future skills and job requirements in their country.

From their answers it becomes clear that for all objectives at least three quarters of those who have mentioned them expect a medium to high positive contributing. This contribution is estimated lower for competitiveness of companies, mobility of workers, and objectives related to the support of Sector Councils in Member States.

²⁰ See the mission reports in the annexes for more practical suggestions (including regarding the size of the board).

Table 4.5 Share of respondents with medium to high contribution to national systems of EU level Sector Councils objectives mentioned by them, in %

	Trade unions	Employers' associations	Education	Government	Total
Improve productivity of workers	67	85	100	100	91
Ensure that entrants have appropriate competencies	88	79	88	100	87
Make education more responsive to changes in skills needs	86	73	77	100	81
Promote new SeCos	50	50	57	75	57
Promote CVT	92	76	81	75	81
Develop synergies between SeCos in MS	100	64	50	90	80
Improve quantitative link between IVET and the labour market	73	73	75	100	77
Improve skills of workers in the sector	79	79	69	78	76
Alignment of sector policies	86	75	55	100	73
Increase competitiveness of companies	100	67	266	50	67
Support existing SeCos	72	58	62	67	63
Improve mobility of workers between MS	67	60	58	100	63

4.7 Feasibility of Sector Councils: a focus on 5 economic sectors

4.7.1 Introduction

To acquire a more in-depth knowledge of the feasibility of setting up EU level Sector Councils we have taken a closer look at five different sectors, being: ICT, hospital sector, textile and clothing, horeca and construction. For each sector EU level representatives of the social partners organisations have been interviewed. In this section we present the outcomes regarding the feasibility of EU level Sector Councils in these sectors. For each of the sectors we first give a brief description of their current economic position in Europe, followed by the social partners' views on EU Sector Councils in their sector and the view they have on the design of such a council.

4.7.2 Textile and clothing

*Introduction*²¹

In 2004, in the textile, clothing and leather (TCL) sector and the footwear subsector, the 266,100 active companies had a turnover of €242 billion and an added value of €67,8 billion.

Italy is the principal manufacturer of textiles, clothes and leather products in Europe. It contributed to one third of the EU27 value added in 2006, followed by Germany and France, both with a share of 11%, and Spain and the United Kingdom both with a share of 9%. Among the countries specialised in TCL production, Malta, Bulgaria, Portugal, Romania, Lithuania, Estonia and Italy all had shares of 10% and above in total manufacturing employment.

Over the past two decades the sector was faced with a strong economic head wind. It had to deal with heavy price competition from competitors, in particular from China. In response, European producers relocated parts of their production to low-cost countries. Simultaneously, big retailers set up their own global supply chains. The phasing out of the Agreement on Textiles and Clothing, and similar agreements in the leather sector, in 2005 gave these trends a further push. Mass-production largely disappeared from high-wage areas in the EU while low-cost areas – the New Member States, Portugal and Greece – could keep at least parts of TCL production.

As a result, the industry lost one third of its production volume and jobs within a ten year period from 1996. In 2004, some 3 million people were employed in the sector. Since then the number of employees has again dropped by between 2 and 5 percent per annum. For 2009, as a result of the economic crises, a drop in employment of up to 9 percent is expected.

The sector adjusted to this situation with three strategies: (a) a cost oriented approach based on relocation, (b) an innovation oriented approach based on upgrading of products and the development of specialty textiles (i.e. aiming at market niches for high quality, high yield products) and (c) a productivity oriented approach based on automation and supply chain management.²²

*Social partner' view on EU Sector Council*²³

Representatives of the employers (Euratex) as well as representatives of the trade unions (ETUF-TCL) strongly support the idea of setting up an EU Sector Council for the TLC sector. Given the rapid changes in the sector and on its labour market, both sides underline the necessity of an EU level platform for monitoring these changes, discussing pro-active responses and implementing common actions (see tasks, below).

²¹ *Skills scenarios for the textiles, wearing apparel and leather products sector in the European Union. Final report, DG Employment/Eurofound. may 2009.*

²² see http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/protective-textiles/index_en.htm

²³ Interview with two representatives of Euratex - the European textile and apparel confederation. Interview with representative of ETUF-TCL - European Trade Union Federation – Textile, Clothing and Leather (and Shoes).

Design of an EU Sector Council

As regards the structure of a Sector Council, the employers are in favour of starting with a small organisation with an open structure. Employers and employees must be involved from the start. The choice of the other members, for instance education and training organisations at all levels, should depend on the remit and actions of the Council. The trade unions' ideas are in line with this suggestion. The Sector Council should be a small, flexible organisation, with much attention for the on-going evaluation of its effectiveness.

EURATEX, the employers organisation, suggests that member of the European Social Dialogue will form the Councils steering committee. ETUF-TCL, the trade union, agrees with a link with the ESD but has no specified ideas about its organisational structure.

There are already various EU initiatives taking place that need to be taken into account when discussing the issue of an EU SeCo:

- development of labour market observatories (see below);
- development of common qualification standards;
- social dialogue;
- skills needs studies.

The sector itself undertook a study into labour market observatories (2008-2009). At the moment some 10 Member States have observatories for textile and clothing, or are about to install one. On an ad-hoc basis, these observatories exchange information. Especially the countries with an observatory are interested in participating in a Sector Council. This also goes for the New Member States which have less experience with social dialogue. It is argued by the interviewees that the observatories already act as national level Sector Councils, which could make them the logical contact point for an EU Sector Council.²⁴

The mission of a Sector Council in the textile, clothing and leather industry would, in the opinion of the social partners, be to provide information and support to the sector and improve its image. Concrete tasks on which an EU Sector Council should focus are:

- **Collecting and exchanging information and tools**, with a focus on HRD and production upgrading tools for SMEs. But also on (labour) market trends and on for instance EU level negotiations with other trade blocks / countries on regulations concerning the sector.
- **Supporting companies and disseminating HRD and other tools**: “*Firms must learn how to manage change*”. This could also encompass training of redundant workers for other sectors.
- **Carrying out capacity building** regarding social dialogue in New Member States
- **Helping to improve the image of the sector**, e.g. through providing teachers with information material about innovative practices in the sector. In Germany recently such a campaign was launched.
- **Developing opportunities of ‘EU wide’ training**, i.e. an IVET textile sector curriculum of which parts are followed in different countries. Linked to it common qualification standards should be developed.

²⁴ Member States with an observatory are Belgium, Czech Republic, France, Greece, Hungary, Italy, Poland, Portugal, Spain and the UK. For background information see the country report in the annex.

- **Promoting the sector approach** in Member States in which such an approach is as yet lacking.

Value added

The value added of an EU Sector Council for the textile and clothing sector would be that, contrary to the ad-hoc initiatives in the recent past, it would create a structured platform for national councils and observatories in exchanging labour market information and coordination of EU wide sector initiatives. Recent or current activities mainly focused on collecting labour market information. An EU Sector Council can take this forward and subsequently also move into activities that are related to streamlining qualification standards within the EU, and develop activities in the field of e.g. human resource management.

4.7.3 Construction

Introduction

In 2007, the 3.1 million firms in the construction sector employed 14.8 million people. Together, they had a turn over of €1,665 billion and an added value of €652 billion.²⁵ In general the construction sector is a sector which is dominated by SMEs with low levels of unionisation (and employer organisation in some cases), which present problems with regard to making and implementing agreements, especially in the vital areas of working-time, working conditions, and health and safety.

Construction work takes place in all Member States. In comparison with other countries, this sector is of particular importance for the economies of Spain, Poland and Cyprus. The construction sector is extremely hard hit by the credit crisis. The EU-27 index of production for construction fell by 14.2 percent between the first quarter of 2008 and the third quarter of 2009.²⁶ Employment has fallen sharply in many member states, but in particular in Spain and the Baltic countries.

Social partner' view on EU Sector Councils²⁷

The construction sector is dominated by many small enterprises. In many Member states the membership rate of unions is low. These characteristics present challenges to the implementation of agreements reached at national as well as European level as regards for instance working conditions and health and safety regulations.

This background could, at least partly, explain why both the employers and the trade unions pose probing questions as regards the launch of a Sector Council in the construction sector. According to the employers representative, the European dimension of the construction industry is, in the eyes of employers in Member States, limited since most of the productive tasks and processes take place on a local or regional level. Each country appears to have its own “building culture”, which is not seen as easily transferable. This limits, according to the employers, the potential impact of an EU Sector

²⁵ Eurostat statistics, In Focus, 7/ 2010

²⁶ *ibid.*

²⁷ Interview with representative of EFBWW – European Federation of Building and Woodworkers. Interview with representative of FIEC – European Construction Industry Federation

Council. The trade union representative refers to the fact that there are already initiatives at European level in which sectoral issues are being discussed. This is for instance the case in the European Social Dialogue.

Against this background both social partners appear to be hesitant. They point at the possible overlap of the actions of a Sector Council with those of the Social Dialogue. To gain relevance in the eyes for both employers and trade unionists it is very important that an EU Sector Council can demonstrate its added value, i.e. tailor its tasks and outputs to needs at national levels in the sector.

Design of an EU Sector Council

For the employers organisation as well as trade union it is clear that both, from the start, should be involved in an EU Sector Council and that it must have a statutory position, in order to have status and influence.

From a practical point of view, for the employers, it seems logical to focus on the sector training funds and its representatives to be involved in EU Sector Councils. An alternative could be to ask the European Social Dialogue members to nominate members, deriving from the national level organisations. It is to be expected that especially representatives from New Member States will be interested to participate since they have less experience with Sector Councils.

The trade union is in favour of involving representatives of training providers (IVET and possible CVT), since they think that, aside from future skills, the comparability of IVET and CVT training systems should have a central place in the activities of the Sector Councils. Policy makers and research institutions should get an observer status and be invited on a needs-only basis. Through sectoral IVET projects 'zones of mutual trust' in other member states qualifications could be established.

According to the social partners the EU level Sector Council should have a focus on the **exchange of information and good practices** between the Member States. Developing joint (European) policies might be too complicated. Other concrete tasks that an EU Sector Council should focus on are, according to the social partners:

- **Carry out labour market analysis;** forecasting changes in job structures and skills demands;
- **Giving advice** to ESD and Member State bodies;
- Playing an **intermediary role** to Member State organisations / social partners
- Discussing the **implications of new technologies** and other trends on employment, training, work environment and working conditions.

Value added

The value added of an EU Sector Council in the construction sector would be to have a coordinating body relating to specific issues in the field of labour market and VET. Since the construction sector is a fragmented sector with many specialisations and SME's an EU Sector Council could pre-eminently play a role as a binding and coordinating institution in the field of labour market information, modernising curricula, mutual recognition of qualifications et cetera. This would enhance the strength of the sector at a European level.

4.7.4 Hospital sector

Introduction

The hospital sector in the EU employs some 20.3 million persons. The majority of employees is employed in the EU15, where the health and social services workforce grew by 2% between 1995 and 2006.²⁸ Turnover in the sector amounted to €818.8 billion in 2006 and showed an annual growth of 2.7 % between 2000 and 2006. Many countries maximize budgets in order to control costs. This can in turn lead to increasing waiting lists and labour market shortages. Labour compensation in the sector is often lower than in competitive sectors, possibly increasing the unbalance between demand and supply.²⁹ Many opportunities for innovation exist in the sector, notably through new (medical) technology, ICT, strategic partnerships and a growing focus on prevention. The sector has a limited capacity to absorb innovations though.³⁰ The social partners are engaged in the European Social Dialogue together. The social partners in the hospitals sector recently formed a working group on skills which focuses on identifying skills needs across the Member States, on workforce planning and on leadership in healthcare.

*Social partners' views on EU Sector Councils*³¹

Based on the experiences in the UK the setup of an EU Sector Council is seen as essential by the employers' organisation (Hospeem). Also the EU level trade union for the hospital sector (EPSU) is in favour of an EU level Sector Council, although the available resources of their organisation might limit their involvement in all aspects and details of the work of the council.

Design of an EU Sector Council

From a perspective of labour mobility it would make sense to develop an EU level Sector Council that covers hospital care, health care and social care. The current European Social Dialogue only covers hospitals.

According to the trade union, similar types of stakeholders should be represented at the EU level as is the case at the Member State level: representatives of employers, trade unions and education providers. The EU Sector Council would need to communicate with regulatory and credentialing bodies at Member State level; these stakeholders need to be liaised with, but not included in the EU Sector Council.

The ESD for the hospitals sector started in 2006. In that year the EU employers' association for the hospitals sector, Hospeem, was set up. The resources for the ESD are limited. Since the ESD only started recently, it will take more time to develop new skills initiatives as part of the ESD. There has already been a technical seminar on skills needs in the sector in September 2009.

The link with the ESD is important and the EU Sector Council should be guided by the social partners. For the social partners the way the European Commission intends to

²⁸ Health and social work (NACE 85), 2006 data from the report 'Investing in the Future of Jobs and Skills Scenarios, implications and options in anticipation of future skills and knowledge needs, Data Annex, Health and Social Services',

²⁹ Ibid.

³⁰ Ibid.

³¹ Interview with representative of Hospeem (employers organisation in the hospital sector). Interview with two representatives of EPSU, European Federation of Public Service Unions.

design possible EU Sector Councils should be clear. The trade union deems it logical for the Commission to consult the trade union on this at some point, should the European Commission proceed with setting up EU level Sector Councils. It is important to overlap with these existing initiatives and to build on the work already undertaken by e.g. the ESD Working Group on new skills needs.

The relation between EU level Sector Councils and existing EU initiatives such as Eurofound's European Monitoring Centre on Change (EMCC) and its European Industrial Relations Observatory (EIRO) is important to consider while setting up the EU level Sector Council. The EMCC is a source of background information on trends in sectors and their implications for human resource development. Recent sectoral analyses conducted in the framework of 'New Skills for New Jobs' include the health and social services sector. Conceivably co-operation on such studies would be beneficial to both parties. The EIRO monitors the social dialogue, including employment and skills issues, at national and sector level.

Both social partners agree that initially the main focus of an EU sector council should be on the **exchange of information** related to the labour market and vocational education and training. Policy related issues as the recognition of qualifications, might be treated with in the future once the council has been established and proven its functionality.

Concrete tasks that could be fulfilled by the EU Sector Council are:

- **Forecasting:** There is a large interest in the sector in initiatives that encompass forecasting employment and skill demand and supply at EU level. The results should be communicated to the education field to inform schools and students;
- **Analysis of cross-border flows of workers;**
- **Forward looking research** on broader sector trends and changes;
- **Tracking outflowing students** (keeping track of whether they become employed within the sector);
- **Recognition of qualifications between Member States:** An EU level Sector Council should be involved in existing initiatives like ECVET and have a macro level view on qualifications;

According to the social partners the **potential impact** of an EU level Sector Council would be: a more effective workforce planning, forecasting and higher comparability of qualifications. For this to achieve the EU Sector Council will need to have a clear remit on which the main stakeholders agree. In this way it could have the same approach as the ESD. Furthermore, it is important to look across sectors and to exchange ideas on horizontal issues. This could be done by a Transversal Council that might be in charge of monitoring / evaluating all EU level Sector Councils.

Value added

The value added of an EU sector Council in the hospital sector would be the broad scope it would have, also including the health care and social care, which are closely interrelated with the hospital sector as regards labour market and educational structures and qualification profiles. For these sectors the EU Sector Council could function as a structured platform for exchanging labour market information and taken coordinated

actions for instance regarding the mutual recognition of qualifications between Member States.

4.7.5 ICT

Introduction

In European statistics, ICT has only been recently classified as a sector of its own right³². Many sources and statistics cover the telecom sector.³³

Employment in the ICT sector reached 5.4 million persons in 2003.³⁴ Growth in the turnover of EU ICT services was 4.4 percent in 2006 and in terms of added value ICT contributed about 5% to the EU GDP. The sector is both highly innovative and a driver for innovation in other sectors. It boosts the innovation capacity of all sectors and contributes to more than 40% of overall productivity growth. In the EU, ICT R&D accounts for a quarter of all private R&D spending, a third of all R&D employment, and a fifth of all patents. Even so, the EU's ICT business sector spends less than half on R&D as its US counterpart, accounting for half of the total gap in private R&D spending.³⁵ The EU level sectoral social partners are involved in the European Social Dialogue covering the telecommunications sector. One of the topics the social dialogue committee deals with is training and lifelong learning.³⁶

*Social partners' views on EU Sector Councils*³⁷

The trade union *Uni Europe* is in principle very interested in the possible setup of an EU level Sector Council for the ICT sector. The organisation's interest depends on the remit the Council would have and its relation with the ESD and other on-going initiatives at EU level (e.g. EQF). The Sector Council could start out with making an overview of current EU policies and actions that are relevant for the sector and communicate on this. An important issue to address is the need for upskilling in the sector. It also could focus on developing joint recommendations for EU policy, intercultural competences and change management.

The trade union members' interest lies mainly with practical matters at national level, unless there is a clear added value of an EU level issue. The EU Sector Council should have a clear mandate in order for Member State level members to participate.

³² Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

³³ NACE Rev 1.1 code 64.2

³⁴ Eurostat 'Statistics in focus', 22/2008

³⁵ A Strategy for ICT R&D and Innovation in Europe: Raising the Game {SEC(2009)289}

³⁶ Directorate-General for Employment, Social Affairs and Equal Opportunities Unit F.1 report 'Industrial Relations in Europe 2008', September 2008

³⁷ Interview with representative of Uni Europe (European trade union federation for services and communication (including both ICT and telecom). Unfortunately, various attempts by us to interview a representative of the employers' organisation ETNO were in vain. Furthermore, it appeared that other employers' organisation in the ICT sector only cover a part of the sector.

Design of an EU Sector Council

Stakeholders to be involved in the EU Sector Council for the ICT sector would be the sector social partners at EU level and the education and training environment (to provide feedback on what is possible from a policy perspective, in terms of changes in educational programmes in the Member States.) The European Commission could act as a facilitator. Higher education (universities), Chambers of Commerce and NGOs that deal with education matters could also be involved. A fair distribution and representation of sector stakeholders is necessary to perform an advisory role towards policymakers. Especially for ICT, cooperation with cross-sector parties seems to be relevant.

According to Uni Europe the focus of an EU Sector Council should be on quantitative analysis of employment development and on change in the sector. The Council can act as an 'avant garde' to prepare the sector for future changes regarding employment and skills. The pace of changes in the ICT sector might hinder a responsive attitude of the EU Sector Council.

Value added

The value added of an EU Sector Council for the IT sector would be that it would allow a structured EU wide analysis of labour market trends in the sector and their consequences for training and education. Including stakeholders from training and education in the Council would enable the social partners to discuss these consequences, discuss responsibilities and take targeted initiatives aimed at shared goals, as for instance the up-skilling of employees. For this potential to be fully developed it is required that the remit of the Council is clearly defined and distinguished from the tasks and responsibilities of the ESD.

4.7.6 Horeca

Introduction

Employment in the horeca sector reached 9 million persons in 2006. Being a very labour intensive sector, the horeca sector is significantly different from the other sectors of the non-financial European economy in terms of employment growth³⁸. In the years 2003 – 2004 the yearly growth rate of the sector was more than six times as high as that of the total economy. Between 2000 and 2005, the number of persons employed in the EU increased by almost half a million workers. The number of active companies in the sector is very high, 1.41 million in 2001. With a growth of about 80% in the period 1999 – 2006, annual turnover in 2006 almost reached €440 billion. Increasing innovation, skills and competencies is seen as the foundation for future growth possibilities and increased international competitiveness.³⁹ The social partners in the sector are part of the European Social Dialogue, dealing with working conditions, flexicurity and temporary agency work, health and safety, training and lifelong learning⁴⁰. Sectors that are dominated by

³⁸ Report on 'Comprehensive sectoral analysis of emerging competencies and economic activities in the European Union Lot 12: Hotels and restaurants'

³⁹ Ibid.

⁴⁰ Directorate-General for Employment, Social Affairs and Equal Opportunities Unit F.1 report 'Industrial Relations in Europe 2008', September 2008

small companies, such as the horeca sector, are often not unionised and often face difficulties in terms of the implementation and effectiveness of social dialogue⁴¹.

*Social partners' views on EU Sector Councils*⁴²

Regarding the setup of an EU Sector Council on skills and jobs employers' organisations and trade unions seem to have different opinions. Effat, the trade union in the sector, has been advocating the setup of such an EU observatory since 1995. Effat would be interested in participating in an EU Sector Council as a pilot sector. The employers would also need to be involved in such an initiative. Furthermore, educational providers and experts should be involved in an EU Sector Council, but not necessarily as members.

For the trade union it is clear that an EU Sector Council should have a strong link to the existing Social Dialogue. Social partners in many Member States are already involved in the development of curricula.

Design of an EU Sector Council

An EU Sector Council – according to Effat – should focus on the mapping of sector issues in the Member States. Through labour market monitoring basic information should be made available to the sectoral stakeholders (most importantly the social partners). In Member States that currently lack Sector Councils, an EU Sector Council has a role to create awareness and to exchange/broker know-how.

Also according to Effat an EU Sector Council should build on new tools developed by DG EAC (EQF, ECVET) and Cedefop. It could facilitate the **exchange of information** on systems (educational, forecasting). Preferably, the Sector Council initiatives should link with the European qualification passport Effat itself developed for the sector.

Value added

The value added of an EU Sector Council for the horeca sector would mainly be to promote the periodic collection of labour market information in the Member States in a standardised way, which at the moment is not the case. This would first of all allow the social partners at national level to enter in a well-founded discussion with the education and training sector to tune the supply of education and training to the needs of the labour market in a qualitative and quantitative way. In this way the European Sector Council would strengthen the position of the national Sector Councils. For actions at EU level the remit of the European Sector Council needs to be clearly defined and distinguished from the tasks and responsibilities of the on-going ESD.

4.7.7 Concluding remarks

From the sectoral analysis presented in this section it can be concluded that in general all sectors are in favour of an EU level Sector Council providing that its scope and remit do not interfere with existing initiatives like the European Social Dialogue. From the interviews that were held it becomes clear that the Sector Councils can very well have a

⁴¹ Ibid.

⁴² Interview with representative of Effat, Horeca trade Union.

complementary role to the ESD. Whereas the ESD has a very broad scope regarding promoting employment, better working conditions and industrial relations, the Sector Councils will have a much more targeted goal in providing and exchanging information on labour markets and skills. The policy option is less supported, although this could become of interest in the future once the councils have established themselves and proven their added value. In order to increase the commitment and impact in the sector it seems efficient that the Councils make use of ongoing sector initiatives, for instance ESD.. In almost all sectors there seems to be consensus that the social partners are the key stakeholders to be involved in the Sector Councils. In general there seem to be no strong reasons for organising or composing the Councils differently per sector, although it is clear that the operational activities of the Council should be aligned with other on-going activities in the sector.

4.8 Conclusions

The feasibility of setting up EU level Sector Councils depends on a variety of factors. A common factor is that the more the setup is geared towards the wishes and needs of the sector and its stakeholders, the higher the operational feasibility will be.

Four determinants of interest in participation

Interest is higher amongst organisations with a clear link to a specific sector, in comparison to e.g. representatives of the education sector in general. A clear positive correlation exists between the interest people and organisations have in participating in EU level Sector Councils and the extent to which they are convinced of its usefulness. Social partners are more inclined to participate than other types of stakeholders. The objectives chosen for the Council and the commitment and participation of fellow stakeholders in one's own country are important for participation.

Content and immediate objectives dominate amongst desired objectives

The main reasons for participation in EU level Sector Councils have to do with content rather than organisation and with direct, rather than indirect benefits. The link between education and labour market: the promotion of CVT, the link between VET and the sectoral labour market, and the responsiveness of the education sector to labour market needs. 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 the most desired objectives. Social partners are more inclined towards information exchange as the main focus for the Council; the education sector is more often interested in developing concrete policy initiatives. The development of policies can be considered attractive for certain subjects or activities, but is more likely to attract the education sector rather than social partners.

Preference for both IVET or CVT focus in EU level Sector Councils

Councils, stakeholders are united in their preference for a combined focus: 72 percent of the survey respondents feel that both IVET and CVT should be addressed by EU level Sector Councils. Social partners lean more towards CVT than other stakeholders though.

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 resources needed

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. However, the expected and realised benefits to the organisation or its objectives will be the more determining factor for continued participation

Technical support to start at basic level

Technical support from the EU will in principle be required to:

- Create the required network;
- Determine the desired characteristics of an EU level Council for the sector;
- Support the organisation of meetings and follow-up actions.

Sector initiative to be combined with stringent rules

To avoid the establishment of mere ‘talking shops’ the commitment of participants, their colleagues and of other stakeholders needs to be generated and maintained. Instruments to this end include a design of EU support that leaves the initiative with sectors, but requires clearly defined targets and compulsory monitoring and evaluation.

Specific variations and provisions

Further options for the design of the Councils include a decentralised set-up, specific provisions for new Member States, and a multi-level set-up with regard to participation. At the practical level, the choice of the chair person, the necessity to ‘score’ in the first year and language(s) used seem particularly important.

5 Recommendations

5.1 General recommendations following from the study

R1. Proceed with promoting EU level Sector Councils for Employment and Skills

Explanation: the study shows sufficient interest in participating in such Councils and a real benefit to existing Member States initiatives to expect that for selected sectors and countries such Councils will contribute to the timely adjustment of education and training to future employment and skills needs.

The following findings in particular have prompted this recommendation:

Sector councils for employment and skills exist in approximately half of the Member States. In addition, in many other Member States these issues are being discussed and decided upon from a sector point of view in transversal councils.

Evaluations of the Canadian and UK experience show that – in their approach – positive effects can be achieved on sectors, enterprises, employees and employers.

Cross country co-operation between sector councils at present is rare. Important restrictions include knowledge about possible counterparts, the costs associated with co-operation.

Stakeholders in the Member States expect EU level Sector Councils to boost the effectiveness of national councils and to have a positive impact on the responsiveness of education systems to future labour market needs. More indirect impacts are expected to be smaller and occurring in the long term.

The feasibility of establishing and successfully operating EU level Sector Councils can be rated as high, provided the appropriate conditions are respected, including commitment from partners within the sector.

R2. Set realistic objectives and expectations

Explanation: the study shows that similar Sector Councils in Member States have direct effects on workers and companies. More indirect and far-reaching impacts exist, but probably take longer to come into being and can less easily be identified. By its nature the impact of an EU level Council will be less measurable. Objectives and targets should

hence be modest and limit themselves to outputs and results, rather than grand objectives and envisaged impacts.

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

Explanation: good practice Sector Councils identified during this study have two important characteristics in common: they have in one way or the other been able to keep a certain independence and distance from existing, traditional structures and their existence is not automatically continued; to a greater or lesser extent their existence is related to performance. This is accompanied by greater commitment and effectiveness. An important risk is that Councils once established fail to bring enough benefit at short notice to its participants or their organisations and as a result are dismantled again or lead a dormant existence. The design of Councils and monitoring and evaluation procedures should include the envisaged outcomes and specify the performance targets, agreed with participants and beneficiary organisations.

R4. Make EU support dependent a few stringent conditions and agreement on targets at the application stage and participation in monitoring and evaluation measures

Explanation: setting a few carefully chosen, but stringent criteria will avoid a too ‘laissez-faire’ approach on the one hand and a too ‘bureaucratic’ approach on the other hand. Such criteria should e.g. relate targets at the level of outputs and results, commitment and satisfaction of stakeholders and target groups, added value to existing structures at national and EU level.

R5 Promote co-operation with existing EU initiatives, notably in the fields of labour market trends and education & training

Explanation: the objectives envisaged related to changes in the education systems show overlap with existing EU initiatives such as the European Qualifications Framework (EQF) the European Credit Transfer and Accumulation System (ECTS) and the European Credit System for Vocational Education and Training (ECVET). On the other hand, more employment related initiatives either lack a strong sector focus that would make intensive cooperation useful, such as the restructuring forums. With regard to the European Social Dialogue at sector level, it is recommended to focus on information exchanges and avoid the mixing of subjects for negotiating with content related exchanges. Intensive co-operation with Cedefop initiatives for forecasting and anticipation tools is recommended, notably with the European Monitoring Centre on Change.

R6. Put initial focus on information exchange and on social partners, consider a multi-stage involvement of the corresponding stakeholders

Explanation: There is a greater demand for information exchange and it is also more easily achieved than policy initiatives. Existing experience and practical considerations would suggest that an approach where on some level rapid progress can be made by involving a more limited number of stakeholders is to be desired. Nonetheless, the study found a very strong interest from the education sector in learning about future employment skills needs, in arriving at a dialogue with sectors about their future offer, and in participating in EU initiatives to this end. To accommodate this need and further the achievement of the overall objectives of the Council, the design of the Councils should include provisions to allow on an occasional basis the involvement of stakeholders from the education and training sector, as well as a focus on the alignment of future labour market demands and education supply.

R7 Establish a Transversal Council with a limited number of objectives

Explanation: it is recommended for the time being to focus the objectives of a Transversal Council on bringing together information on future employment and skills, act as a portal to information EU Sector Councils for Employment and Skills, and monitor and draw lessons regarding the functioning of these Councils.

5.2 Policy options – conclusions and recommendations

5.2.1 Option 1 - No policy

The likely result of not pursuing the establishment EU Sector Councils for Employment and Skills by the EU will be that international and possibly national co-operation and collaboration in matching skills supply and demand will not exceed its current level (R1).

This is illustrated by the fact that even well functioning Sector Councils in Member States find it difficult to extent their work to the international level. On the other hand, the initiatives undertaken in the current European Sectoral Dialogue (ESD) are hardly linked with national Sector Council work and co-operation between social partners and the education sector will remain limited at EU level.

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.

5.2.2 Option 2 – Focus on information exchange

From the three policy options, the second – focus on information exchange - is the most feasible option (R6). 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. This should include their effectiveness, as well as satisfaction of participants, national and EU stakeholders.

Scope and remit

It is recommended that the exchange focuses is on objectives defined by the sector and the future participants in the council. From section 4.3.2 it becomes apparent that the preferred objectives are likely to centre around the link between education and labour market and in particular the promotion of CVT, the link between VET and the sectoral labour market, and the responsiveness of the education sector to labour market needs. The functioning of Sector Councils could be an ad-hoc topic if there is an interest amongst participants and it may be a side-effect of other actions undertaken.

The implications for CVT or IVET could be a subject at a later stage or be the subject of a specific event or initiative launched by the Council (see option 3). However, in order to assure that EU level Councils maintain linked to practical reality, it is recommended that the potential implications of the identified trends for CVT and IVET should be indicated and presented as recommendations for action to the ESD or and national level Sector Councils and authorities in some way. The former notwithstanding, therefore, the outcomes of the Councils (i.e. strategic labour market information) should be linked – where possible - to on-going EU policy initiatives and tools in the field of vocational education and training and also higher education, such as the European Qualification Framework (EQF), the European Credit Transfer and Accumulation System (ECTS), the European Credit System for Vocational Education and Training (ECVET), and EUROPASS. For all these tools and initiatives it is clear that in one way or another a coordinated dialogue between the education stakeholders and the representatives from the sector in the Sector Council is of strategic importance in making these tools and initiatives successful.

From the analysis in section 3.3. it follows that the potential impact of the councils in this option is likely to be highest on the responsiveness of education and training to changes in skills needs within the sector, followed by skills and competencies of labour market entrants and the employability of workers in the sector. By nature the potential impact of these councils is more limited than the remit and scope presented in option 3. Option 2 can be also regarded as a first step in a longer-term process with more far-reaching impact potential.

Objectives and targets and SMART indicators, as well as provisions for monitoring and evaluation should be agreed per council in advance. By reaching an agreement with participants, rather than setting objectives unilaterally by the Commission, a higher commitment to the Council and its functioning is to be achieved. The following table provides an example of a possible intervention logic for an EU Council under this option.

Table 5.1 Example of the logical sequence of objectives, targets and indicators

Intermediate objectives		Concrete aims	Actions	Targets	Indicators	Source
Dimensions	Areas of impact					
Better alignment of vocational education and training and the labour market	Greater responsiveness of vocational education and training to sector skills needs	Ensure that entrants to the sector have appropriate skills (qualitative match)	Identify/disseminate good practices of effective procedures and mechanisms to translate qualitative skills needs into training programmes/curricula	Compile overview of good practices and publish electronic version on websites of participating national councils	Electronic publications on relevant sites	Web search
				Reduce the average duration of vacancies in the sector by 10% in three years time	Average duration of vacancies in the sector	Survey of employers
				Decrease unemployment amongst school-leaving young workers (specific profession) in the sector by half in three years	Unemployment rate amongst school-leaving young workers (specific profession) in the sector	Labour force survey
				Reduce the time that is needed to change curricula to skills trends in specific professions by at least 20% in one year	Time to change curricula to skills trends	Survey amongst schools

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 maintain close contact with the ongoing sectoral ESD structures and that a minimum set of agreements is put in place to assured that this is the case

However, in order to maintain a clear distinction between negotiations and informative dialogue (R3), it is recommended that the Council be a distinct entity with in principle a different set of participants. The duration of the support provided should be limited and its continuation subject to evaluation results (R4). It is recommended that support be initially provided for two years. Extension of the support for another two years should be made dependent on the outcomes of this evaluation. Funding could be provided under a special programme.

The ESD can be seen as the main beneficiary of the Council, besides the stakeholders at Member State level. The Commission acts as client and as observer to the Councils. The distinction between beneficiaries and clients is important:

- The objectives and targets of the Council need to address the needs of the beneficiaries. Their opinions should play a key role in determining whether or not the Councils are successful and whether support should be continued.
- The client provides the required support and determines the exact conditions under which this support is received.

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 (R5).

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. For this secretariat, a separate call for tenders could be launched. It could for the time being also take on the role envisaged for an EU Transversal Council (R7). A rough estimation would be that in total some 2-3 full-time equivalents (FTE) would suffice to maintain a secretariat for three sectors for one year.

Alternatively, a coordinator could be appointed per sector (0.8-1 FTE) and secretarial support could be hired on an ad-hoc basis from existing secretariats in EU social partner organisations, or a half-time secretary/project assistant could be hired for the Council.

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:
 - A representative of each existing national Sector Council (e.g. the director of the Council's secretariat);
 - Representatives of Transversal Councils in Member States (in particular where there is no Sector Council or equivalent organisation).
- Observers:
 - Representatives of EU level social partners.

- Ad-hoc participants (invitees):
 - Representative from other EU initiatives;
 - Representatives from EU organisations in education and training (including higher education);
 - Representatives from national organisations in vocational education and training;
 - Representatives from national organisations in higher education (its role differing per sector);
 - Representatives of social partners in existing national Sector Councils;
 - Representatives of other organisations in existing national Sector Councils.

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.

The regular meetings serve to initiate and monitor the information gathering, to discuss, interpret and validate findings, and to decide on further dissemination and follow-up actions.

The seminar should on the one hand be a tool to disseminate findings, and on the other hand provide an opportunity to reflect on their implications and discuss them with a wider group of stakeholders, notably also those from the education and training sector.

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 this would roughly require a budget of 200,000-300,000 Euros. In the situation where separate secretariats are established these costs are likely to approach 100,000 Euro per Council. Savings can be realised if the secretariat is hosted by one of the EU social partner organisations.

5.2.3 Option 3 – Focus on policy initiatives

Although it is recommended to give priority to actions under option 2, there are three important reasons why it is recommended to develop a support line for policy development also:

- The interest that exists in the education and training sector to build up a dialogue with sectors on their future skills needs. Through the Sector Councils the Commission can facilitate a dialogue between universities, social partners and employers in order to promote structured partnerships with the business community⁴³. The EU Forum for University Business Dialogue which is being developed seems to be a logical strategic partner for the Sector Councils⁴⁴.

⁴³ This contributes to the EU modernisation policy of higher education. See: COM(2006) 208 final. Delivering on the modernisation agenda for universities: education, research and innovation.

⁴⁴ COM(2009) 158 final. A new partnership for the modernisation of universities: the EU Forum for University Business Dialogue.

- The fact that ultimately the only justification for the information exchange is that concrete actions are undertaken.
- The fact that joint policy initiatives are expected to achieve a higher level of impact.

Bearing in mind that such initiatives will involve a larger number of participants and will be more complicated, R4 and R5 apply even more so here. It is therefore 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.

Scope and remit

The focus in option 3 should be on objectives related to furthering the responsiveness of the education sector, the quantitative and qualitative alignment of future skills needs and the education sector. The outputs developed under option 2 should be used as inputs for option 3 initiatives.

Initially these initiatives will still be geared very much to information exchange, but they should evolve towards the development of or support to concrete policy actions. The potential impact of these initiatives depends on the degree to which concrete policy outputs can be reached. Even under this option a realistic approach towards the expected impacts is advisable: impacts will only become visible in the longer term and they will be difficult to measure.

As in option 2, a key recommendation from this study is that the European Commission should require applicants to clearly state the objectives and targets of the initiative, formulate SMART indicators for success and include provisions for monitoring and evaluation in their proposal.

Participants

The choice of the participants depends entirely on the kind of initiative proposed. Depending on the sector CVT or IVET partners, or vocational education or university partners may be the more suitable choice. However, the following organisations constitute a likely list to choose from:

- EU level organisations in the education sector, and EU social partner representatives;
- The education sector representatives in national sector councils;
- Other participants in national sector councils;
- Social partner representatives in national councils;
- Similar partners in national transversal councils from Member States for which no sector councils in the sector;
- Representatives of European tools in education and training, such as the European Qualification Framework (EQF), the European Credit Transfer and Accumulation System (ECTS), the European Credit System for Vocational Education and Training (ECVET), and EUROPASS.

Practical organisation

Depending on the sector, as well as the aims and objectives of the initiative, the most suitable organisation form should be identified. Given the varied nature of the initiatives to be financed no general recommendations can be provided under this option.

Costs

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. Since initiatives may include such varying instruments as an Internet Platform or the organisation of a conference the expenses can be anything. Depending on the available budget a range could be established from e.g. 50K to 250K per initiative.