



NEW SKILLS AGENDA FOR EUROPE

KEY MESSAGES



- 1** All adults need to have a good level of basic skills. This is essential for people to be able to progress in their education, to participate in society and to gain employment. Actions to support the up-skilling of adults should be channeled through the European semester process, rather than in the form of a skills guarantee. The concept of a “guarantee” goes in the wrong direction. There is a high risk that the expectation it creates will be difficult to substantiate in practice. Learning requires a degree of individual responsibility, particularly in the case of adults.
- 2** Growth and productivity in Europe increasingly relies on a digitally skilled and competent workforce. Therefore, it is necessary to foster the acquisition of digital skills across education and training pathways. Apprenticeships in digital and technical-based occupations and which use digital learning platforms (“e-apprenticeships”) can play a particularly important role in this respect and should be a central part of the Digital Skills and Jobs Coalition.
- 3** To help make vocational education and training (VET) a first choice it is important to make it more demand-led through the closer involvement of employers in the design and delivery of courses. Enhancing the labour market relevance of VET, and developing benchmarks and an improved data set on the employability of VET graduates will help to make this form of learning a more attractive option for young people.

WHAT DOES BUSINESSEUROPE AIM FOR?



- Renewed focus on the European semester as the means through which to drive reforms to national education and training systems.
- Stronger efforts to foster the acquisition of digital skills across all economic sectors and more widespread use of digital learning platforms and practices in all education and training pathways.
- Broader awareness of the importance of STEM skills for developing systemic thinking and the application and advancement of digital skills.

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POSITION PAPER

NEW SKILLS AGENDA FOR EUROPE

Introduction

1. On 10 June the European Commission published its proposal for “A New Skills Agenda for Europe”. The Agenda focuses on ten priority actions:
 - A Skills Guarantee
 - A review of the European Qualifications Framework
 - The "Digital Skills and Jobs Coalition"
 - The ‘Blueprint for Sectoral Cooperation on Skills’
 - A "Skills Profile Tool Kit for Third Country Nationals"
 - A revision of the Europass Framework
 - Making Vocational Education and Training (VET) a first choice
 - A review of the Recommendation on Key Competences
 - An initiative on graduate tracking
 - Analysing and exchanging best practices on effective ways to address brain drain
2. On 20 and 21 January BusinessEurope took part in a consultation meeting of European social partners about the proposed Skills Agenda.
2. This paper constitutes BusinessEurope’s position paper on the published communication and its related elements.

General comments

3. Skills are a crucial component of a company’s productivity and competitiveness. Therefore, BusinessEurope welcomes the narrative of the communication, which is oriented around working together to strengthen human capital, employability and competitiveness.
4. Identifying policy priorities to ensure that Europe has a skilled workforce is particularly important in view of its changing demographic structure with research conducted by CEDEFOP projecting that around 14 of every 15 job openings between now and 2025 will be to replace workers leaving their jobs, many of whom will retire..
5. Furthermore, by 2025 CEDEFOP forecasts suggest that there will be a demand for around 80 million highly skilled people; 110 million medium skilled and 38 million low skilled people. This shows an increased demand for highly-skilled people and a fall in the number of low-skilled people compared to 2015. The demand for medium-skilled people remains broadly stable.
6. Therefore, it is important to increase the employment participation of people residing in the EU; to up-skill and re-train people in view of labour market needs; and to encourage highly skilled third-country nationals to come to the EU.
7. According to the latest available figures, the EU average for early school leaving is 11.1%, which is not far off the 10% target that was set in the Europe 2020 Strategy. Moreover, the early school leaving rate is currently below 10% in nineteen out of

twenty eight Member States. This shows that significant progress has been made in recent years.

8. Nevertheless, the OECD's 2013 survey of adult skills shows that one in five adults currently has only an elementary level of literacy and that one in four has the lowest level of knowledge in numeracy and ICT. Moreover, more than 65 million people in the EU do not have a qualification that is equivalent to upper secondary level (16-18 years).
9. In a number of cases employers have also found that people lack the basic skills that they would be expected to have at their point of entry into the labour market or when they are participating in work-based learning. Therefore, action is needed to foster the provision and attainment of basic skills.
10. In addition to the current lack of basic digital skills it is striking that by 2025 90% of all jobs are projected to require some level of digital skills. Digital skills are increasingly required across all sectors of the economy and in a range of emerging occupations, such as cyber security specialist and big data manager. In one way or another all jobs involve a digital element.
11. There are different types of digital skills that are needed, such as soft skills in terms of using the internet, creating a website or an app and basic coding. There are also the harder skills of computer programming and advanced coding. There is already a shortage of people with these skills with latest figures suggesting a shortfall of 756,000 professionals in the ICT sector by 2020. To help address this it is important to integrate teaching of digital skills, starting with basic coding, into classrooms from an early age.
12. Therefore, BusinessEurope welcomes the strong emphasis on digital skills, which is evident throughout several of the ten priority areas of the Agenda.
13. The European social partners have also agreed to work on skills needs in digital economies as part of the EU Social Dialogue Work Programme 2015-2017¹.
14. Closely associated with digital skills is the wider need to make science, technology, engineering and mathematics (STEM) related skills and competences more prevalent at different levels of education and training. The link between digital and STEM skills should have been made more prominent in the skills agenda. The business community therefore encourages the European Commission to embed the STEM skills narratives and necessary actions into the digital skills agenda to ensure coordinated progress on both fronts in parallel.
15. CEDEFOP forecasts suggest that by 2025 employment in STEM-related sectors will have increased by around 6,5% compared to 2013. While the majority of the demand for STEM skilled workers is met by tertiary level graduates, CEDEFOP also identifies that currently around 48% of STEM-related occupations require medium level qualifications, which VET can play a key role in providing.
16. Taking this information into account it is necessary to underpin education and training systems with careers advice and support services to help young people make informed decisions about the education and training pathways that are available to

¹ <https://www.businesseurope.eu/sites/buseur/files/media/imported/2015-00594-E.pdf>

- them and how they relate to future career opportunities. This is particularly important at school level.
17. All these aspects highlight the need for a comprehensive skills agenda that can stimulate the policy priorities and reforms that are needed to provide companies with a sufficiently sized and skilled workforce for the future.
 18. Noting that education and training is a Member State competence and that the EU can only foster cooperation, through the Education and Training 2020 process, and set a framework for policy actions in this area, the European semester should be the main vehicle for stimulating the reform of education and training systems at the national level.
 19. There are examples where country specific recommendations (CSRs) have contributed to education and training reforms. For example in Bulgaria the School Education Act was adopted in 2015 to improve school standards and to increase the participation of disadvantaged children in education. The Czech Republic has also adopted a reform of its higher education system in 2016.
 20. However, further reforms are needed. Even though a more streamlined approach is being taken towards the European semester, it is important to continue to issue CSRs on education and training issues for Member States where improvements are necessary. In addition, more concerted action is needed to improve the implementation of CSRs and BusinessEurope considers that the Skills Agenda should provide an action-oriented framework through which to help steer this.
 21. As part of this process, and in line with the recent Council's decision to set up independent National Productivity Boards, Member States should make full use of these boards to look at all aspects of the business environment with relevance to productivity, notably including skills.
 22. Beyond 2020 it would be important that any future EU strategies in the area of education and training are fully coherent with the EU's wider strategic priorities, so as to ensure better alignment between labour markets and education and training systems.
 23. Therefore, BusinessEurope welcomes the New Skills Agenda for Europe and has identified basic skills, STEM skills, digital skills, enhancing VET and sectoral skills intelligence and matching as the main priority areas for employers. This paper also outlines BusinessEurope's views on the proposed revision of the European Qualifications Framework (EQF) and Europass.

Specific comments

Basic skills and STEM skills

Employers' priorities

24. Basic skills are an essential prerequisite that people need to acquire as early as possible in order to be able to progress in their education, to participate in society and to gain employment.
25. The primary means through which people acquire basic skills should be state education. Therefore, it is important to look at ways to further reduce early school leaving and to increase the attainment of basic skills as early as possible in a person's

education. In parallel it is necessary to reach out to bring school age children back into classrooms in instances where they have left.

26. Basic skills are commonly understood as literacy and numeracy. In view of the digitisation process and the growing relevance of digital skills in the workplace and throughout society BusinessEurope believes that digital skills must also be developed at the level of basic skills .
27. In this respect the eight competences outlined in the EU Key Competences Framework² can be used as a basis to develop a shared understanding of what constitute key competences and to further encourage their acquisition during primary and secondary education, in the first instance, and to a higher level through the further development and updating of skills throughout working life.
28. Building on this, basic skills can be closely associated with science, technology, engineering and mathematics (STEM) related skills and competences. STEM skills are often thought of as being acquired at upper secondary and tertiary levels of education. However, these skills can be acquired at all levels of education and training, including at primary and secondary school, and through general or vocational education.
29. STEM-related skills foster systemic thinking in a number of areas and are not confined to four subjects alone. The earlier people acquire these skills the better the prospects they will have for continuing their education and training and in their future career.
30. In looking to develop STEM-related skills and competences through VET, apprenticeships, in particular, can play an important role through the mix of transversal and occupation-specific training that they provide.
31. To promote STEM-related skills and competences there is a role for education and training providers and employers to illustrate the concrete employment opportunities associated with STEM skills and their enormous relevance for today's economy. Employers can also facilitate the teaching of STEM-related skills and competencies in early education through contributing to the design and delivery of primary and secondary school curricula, as well as in VET.
32. For example, in Germany, The umbrella initiative "MINT-Bildung NRW" (STEM education in North Rhine-Westphalia), which has the strong involvement of employers, is active in fostering a broad STEM education from pre-school to secondary education. The initiative puts into practice different measures and instruments, such as training courses for pre-school teachers, scientific experiments for children, technology days and an excellence network of schools with outstanding STEM teaching. This best practice could be promoted by the Commission to support other EU countries making progress with the setting up of effective actions of a similar kind in their own contexts.
33. Another example is the natural sciences and mathematics (LUMA) Centre in Finland³ which is a national network which aims to ensure a high level of scientific literacy and knowledge of STEM skills and a sufficient number of skilled experts in STEM fields. LUMA Centres are established at a number of universities across Finland and work in close collaboration with education and training providers, public authorities and

² Communication in one's mother tongue; foreign languages; mathematical competence and basic competences in science and technology; digital skills; learning to learn; social and civic responsibility; initiative and entrepreneurship; cultural awareness and expression.

³ <http://www.luma.fi/centre/>

business. Activities include research as well as science clubs, camps, events, webzines and other activities for children and youth, Together with the Ministry of Education a new national development programme has been launched to strengthen STEM skills in 6-16 year olds.

34. More generally, we encourage the Commission to develop a policy framework that will promote STEM subjects and encourage Member States to learn from each other on how to increase the number and improve the quality of STEM graduates in conjunction with enterprises' skills needs. Inspiration could be taken from the STEM platforms and initiatives that have been developed in Belgium, Denmark, Estonia and Netherlands.

Actions proposed in the Skills Agenda

35. To address low levels of basic skills the Skills Agenda includes a proposal for a skills guarantee. This guarantee is based on three elements: a skills assessment, enabling low-qualified adults to identify their existing skills and their upskilling needs; a learning offer, responding to the specific needs of individuals and of local labour markets; and opportunities to have their skills validated and recognised.
36. It is important to determine whether a person is lacking basic skills and if they require additional education or training and the form that this could take. Therefore, BusinessEurope believes that a **skills assessment** is a necessary first step. For those in employment, such assessments could be complemented with information from employers about the skills and competences that the person requires to perform their job.
37. On the basis of this assessment it can then be seen to what extent a person needs some form of **further education or training**, taking into account the needs of the individual, the company and the local labour market, as appropriate.
38. BusinessEurope considers that opportunities for adult workers to acquire basic skills should primarily be provided by the state. In this respect, the challenge is to provide access to programmes that are tailored to the needs of adults and which help them to overcome a lack of motivation.
39. As concerns employee training provided to adult workers in companies, a key issue for employers is that this training corresponds to the role performed by the worker in the company. This may include some form of basic skills training, where necessary.
40. Another important point is that employee training should be financed on a cost-sharing basis. This reflects the fact that investments in training benefit enterprises, employees and society at large. Given the high amount of resources spent on training in companies and the growing importance of knowledge, skills and competencies in the economy, it is important to ensure that training measures are efficient and employees are incentivised, and made aware of the benefits of, updating and upgrading their skills.
41. Related to this, it is important to improve information about the opportunities that low-qualified adults have for improving their skills. This includes access to guidance and careers advice services. Employers and social partners can play a role to disseminate information, notably in the case of adults in employment.

42. For example, in France, the CléA certificate⁴ aims to enhance and showcase the skills and competences of low-skilled adults. It involves an initial assessment; evaluation and identification of their existing skills; additional training and deeper understanding of existing knowledge; and certification of this by a panel of employer and employee representatives.
43. For those outside of employment, possibilities for enhancing and better promoting government funded schemes should be done through public employment services in partnership with private employment agencies, employers and social partners.
44. It can also be recalled that there is already a council recommendation on the labour market integration of the long-term unemployed. This includes the possibility for developing individual job integration agreements, including the provision of further education and training, as appropriate.
45. Finally, the draft council recommendation for a skills guarantee acknowledges that skills and competences can be developed in **non-formal and informal** settings. It is important to take these into account when looking at a person's overall profile and ability, including when conducting an initial skills assessment.
46. Skills and competences acquired in this way are not always easy to validate and to recognise by employers or other services. While the burden of proof should not lie with the employer, it is important to develop ways to improve this. In this respect the proposal to assess and certify skills and competences through skills audits, as proposed in the council recommendation on the validation of non-formal and informal learning could help to improve the situation.
47. It is BusinessEurope's view that focusing some measures and resources on helping people with low basic skills is necessary as these people will increasingly have a hard time to meet the demands of available jobs with unexpected skills content.
48. Member States need to be able to address the issue of up-skilling adults with low basic skills through existing national structures and to determine priority actions. This process should be led by the relevant national authority or body, which in most cases is likely to be the public employment service. At the same time, cooperation is needed with employers so as to take account of labour market and company needs.
49. While BusinessEurope shares the Commission's assessment of the need to increase the attainment of basic skills, and beyond, there are aspects of the proposed approach that require further consideration, starting with whether a proposal for a council recommendation is the right framework.
50. The presentation of the initiative as a "guarantee" creates a significant expectation that will be difficult to substantiate in practice, both in terms of how such skills are to be provided and the funding that can be allocated. Acquiring skills, even basic ones, is not as simple as flicking a switch and requires a degree of individual responsibility and ownership, particularly in the case of adults.
51. The impact of the youth guarantee is currently unknown and difficult to assess with any great certainty. The report that is scheduled for autumn 2016 may help to shed some light on this. Nevertheless, it appears premature to initiate a proposal for a skills

⁴ <http://www.certificat-clea.fr/>

guarantee before the impact of an existing guarantee-type initiative has been evaluated and discussed.

52. The proposal also refers to basic skills training that leads to qualification at level four of the European Qualifications Framework (EQF). However, entry level qualifications would usually be found at level two. Furthermore, apprenticeships are typically offered at EQF level three or level four, and are considered to be a medium-level qualification. Therefore, setting the target at level four does not seem to be appropriate.
53. Therefore, while fully supporting the need for all adults to have a good level of basic skills and recognising the importance of this for companies, and the role that employers can play, BusinessEurope's view is that actions to support the up-skilling of adults should be inspired by the measures proposed in the draft council recommendation, but channeled through the European semester process, rather than in the form of a separate skills guarantee.
54. In doing so the aim should be to ensure that education systems are modified in such a way as to ensure that literacy, numeracy and digital skills, as well as the others outlined in the Key Competences Framework, and a broader range of STEM-related skills and competences are acquired by as many pupils as possible during primary and secondary education.

Digital skills

Employers' priorities

55. Digital skills are rarely used in isolation, nor without update, and interaction between workers in different countries is increasing while technological change is constantly occurring. This requires strong communication, collaboration and adaptability skills in contemporary workplaces.
56. Apprenticeships balance technical, soft, and social skills in an integrated approach. As digital skills are increasingly needed across business sectors and levels, apprenticeships should prioritise the development of digital skills.
57. A joint project led by the European cross-industry employers' organisations⁵ recommended that employers, VET providers, universities and Member States should explore the possibilities for setting up national pilot actions to develop a public-private partnership to foster the promotion and acquisition of digital skills. The role of employers is important to embed technological and business skills into curricula.
58. In addition to the need for digital skills, digital means are increasingly being developed as a way to deliver education and training programmes, including through the use of massive open online courses (MOOCs).
59. For the time being this type of online learning appears to primarily concern university education, rather than VET. Therefore, it is important to broaden the use of digital platforms in VET and inspiration could be taken from companies that are offering e-apprenticeships. These apprenticeships teach people digital skills and competences and use digital platforms to help achieve this.

⁵ <https://www.businesseurope.eu/publications/cost-effectiveness-apprenticeship-schemes-making-case-apprenticeships>

60. One such example is IBM, which offers an apprenticeship for technical solution specialists. This can involve learning to build, design, test or implement systems or advising and transforming client infrastructure to take advantage of cloud solutions.
61. At the same time, the extent to which companies may use digital learning methods to train employees or apprentices varies from sector to sector and this dimension of digital skills needs to be further explored.
62. Digital platforms and learning programmes can also help to personalise education and training in an effective and efficient way for students and teachers. In a personalised learning classroom, teachers have the tools they need to customise their teaching to the needs and interests of individual pupils and students. Learners can also be empowered to become self-directed – they set goals for their learning, reflect on their progress, and build habits and mindsets to help them succeed in their studies, career and life.
63. An example is School 42 in France, which aims to develop young people’s ICT skills through using an IT-based approach to problem solving. The problems that are solved by the students are real problems that companies are experiencing. In the US Facebook has also developed, in partnership with schools, a free student-directed learning system, which aims to put students in charge of selecting the projects they work on.
64. Another example is that more than 60 million students and teachers worldwide use Google Apps for Education, which is a suite of free products for document-sharing. Tools such as Skype are also increasingly used to make classrooms more interactive.

Actions proposed in the Skills Agenda

65. The Skills Agenda sets out the Commission’s intention to build on the Grand Coalition for Digital Jobs, which has seen the creation of thirteen national coalitions, by developing a Digital Skills and Jobs Coalition. This would see the creation of national digital skills coalitions connecting public authorities, business, education, training and labour market stakeholders.
66. BusinessEurope welcomes this, particularly the focus on a cross-industry approach to increasing the attainment of digital skills. In line with our comments above on ensuring a better link between EU digital skills and STEM skills agendas, we also find it important that the digital skills coalitions are designed in a way that builds synergies with the pre-existing STEM skills national coalitions in the countries where they exist.
67. To create added value for employers the Coalition should help to directly raise awareness about the lack of digital skills and competences that are needed on the labour markets and to develop strategies to address this problem.
68. Inspiration for engaging companies in national coalitions could be taken from the Tech Partnership in the UK. This is a network of small and large companies that collaborate to create the skills to accelerate the growth of the digital economy. The Tech Partnership is licenced by the government as the Sector Skills Council for Business and Technology.
69. The national coalitions could also take inspiration from, and connect with, other relevant skills platforms that exist at the national level. In particular this concerns national STEM coalitions.

70. Under the umbrella of the Coalition it is also necessary to further develop and promote the mainstreaming of digital learning and open education across all education and training pathways and economic sectors. Digital development platforms can extend learners' access to modern digital tools and provide a shared on-line digital workshop to all through the internet. This would favour a more efficient use of resources, both public and private, and could make a significant contribution to broadening participation in education and training.

Making Vocational Education and Training a first choice – a key role for apprenticeships

Employers' priorities

71. A key structural weakness in the EU is caused by a mismatch between the skills provided through education and training and those needed on labour markets. VET can play a key role in reducing this mismatch and to achieve that it is important to ensure that education and training systems are more responsive to labour market needs.

72. BusinessEurope considers that apprenticeships, in particular, can play a vital role. This will only happen if Member States, in cooperation with employers, VET providers and, where appropriate, social partners design and implement reforms in VET systems to make them more responsive to current and future labour market needs and if these structures encourage the cost-effective engagement of employers.

73. In well-functioning apprenticeship systems, enterprises recoup their investments over time in terms of a better skills fit and through the partial productive activation of learners during training. If apprentices are then hired into regular employment, additional payback comes in terms of immediate productivity upon graduation, fostering of enterprise culture, and higher employee loyalty, therefore making apprenticeships an effective means of recruitment.

74. The return on the enterprise's investment in apprenticeships will be reached earlier when schemes are demand-driven and when employers can select the candidates, contribute to curriculum design, and deliver parts of the training. For SMEs, notably micro-enterprises, the cost/effectiveness of apprenticeship schemes depends on additional factors such as duration of the scheme and time spent in the enterprise; retention of apprentices or support in administrative management.

75. Further to their respective projects on apprenticeships⁶ the social partners have launched a debate in the Advisory Committee on Vocational Training on the future of apprenticeships with the intention of adopting a tripartite opinion on the next steps of European policy on apprenticeships. This opinion should propose concrete actions to strengthen and further promote apprenticeship training across Europe.

Actions proposed in the Skills Agenda

76. The Skills Agenda proposes to increase **data availability** on the labour market outcomes of VET. BusinessEurope supports this and believes that it could help to make VET more relevant and attractive.

⁶ The cross-industry employers led a project on the cost-effectiveness of apprenticeship schemes: making the business case for apprenticeships and the ETUC on a proposal for a quality framework

77. Through its recent work on the cost-effectiveness of apprenticeship schemes, BusinessEurope has gathered and analysed some data, which can help to build a picture of key issues related to employer engagement in apprenticeships, such as on the compensation of apprentices.

78. Furthermore, it could be useful to benchmark the following:

- Share of work-based learning in overall initial education and training;
- Number of months after completing work-based learning for individuals to get a job;
- Percentage of training time (as part of work-based learning, particularly apprenticeships) spent in the enterprise.
- Extent to which employers are involved in designing curricula;
- The design and extent of financial support for companies offering apprenticeships; and
- The degree of flexibility that companies have to manage funds that support apprenticeship training.

79. In parallel, the proposal to introduce a system of **graduate tracking**, both of VET and university students, would also be a welcome initiative to provide a more evidence-based approach to designing curricula that reflect labour market needs. In turn, this will help to overcome skills mismatches and enable young people to make a more informed choice about their education and training pathway and future employment prospects. This could also help to raise the attractiveness of certain courses, particularly in VET.

80. BusinessEurope considers that a system of graduate tracking could benefit from, or incorporate into its design, a benchmark on the number of months after completing tertiary education and training that individuals take to get a job.

Sectoral skills intelligence and matching

Employers' priorities

81. New European approaches are needed to improve the data gaps that currently exist. For example, data on vacancies from Member States is not reliable and does not always meet common criteria, as recognised by Eurostat itself.

82. Data on skills needs is also scarce and hard to collect due to rapidly changing needs. With the exception of the ICT sector for which detailed studies have been conducted, it is difficult to know in which sectors and to what extent there are unfilled vacancies and un-met skills needs.

83. There are good reasons for this. For instance, companies may not be ready to share such information if they consider it to be part of their competitiveness strategy. They may also use informal channels to fill a vacancy, rather than making it widely available.

Actions proposed in the Skills Agenda

84. The Commission proposes to establish **blueprints for sectoral cooperation on skills** in six sectors: automotive, maritime, technology, space, defence, textile and tourism. These will involve sectoral skills partnerships in industry and services that aim to identify skills needs and support, where relevant, agreements on the recognition of sectoral qualifications and certifications.

85. BusinessEurope broadly welcomes this proposal. Such blueprints could help to address the data gaps that currently exist. At the same time, this cooperation should aim to make a concrete contribution to addressing identified skills needs. This should be built on a partnership-based approach between businesses and education and training providers.
86. These blueprints should focus on the sectors that are likely to benefit most, for example those with particularly acute skills shortages, such as engineering, transport and logistics, and taking into account those sectors that previously participated in sectors skills councils and alliances.

European qualifications framework

87. BusinessEurope believes that the EQF has made a useful contribution to fostering the transparency and comparability of individual qualifications and qualification systems.
88. As the proposal to revise the recommendation rightly notes, the 2008 Recommendation is reaching its full implementation in terms of Member States relating their qualification systems and levels to the EQF and indicating EQF levels on newly issued certificates/diplomas and related supplements.
89. However, there are still a number of inconsistencies in the levelling, referencing and description of qualifications that need to be addressed. For this reason BusinessEurope welcomes the proposal in the revised recommendation for updating the referencing levels and reviewing them on a regular basis, while allowing Member States a degree of flexibility about when this is done so as to facilitate the reporting process; and the application of the principles for quality assurance, respecting the responsibility of Member States for national quality assurance arrangements.
90. The focus on learning outcomes is a strength of the EQF and one that should be further enhanced through developing a common understanding of what is meant by learning outcomes. To this extent BusinessEurope considers the proposal to develop a standard format for describing learning outcomes for the purposes of comparison as a positive development.
91. At the same time, it is important that there is sufficient flexibility at the national level to define qualifications according to labour market needs, while having in place a structure that allows for further comparability and which fosters mobility.
92. BusinessEurope also considers that there needs to be a focus on ensuring transparency between qualification frameworks in Member States, including between sectors. This includes referencing international sectoral qualifications, that are based on standards developed by sectoral organisations, such as the banking and welding sectoral frameworks, to the EQF without having to reference them to each national qualification framework.
93. On the other hand, while recognising that integrating third country nationals into Member States' labour markets is an important issue, particularly in view of the recent levels of asylum seekers and refugees, the referencing of third country qualifications frameworks will be very challenging before the EQF is sufficiently mature.
94. If retained the proposed step-by-step approach to the development and application of criteria and procedures for this comparison will need to be carefully considered and take time to develop. This should not distract from what must be the core objective of

improving the existing referencing and progressing towards a common understanding of learning outcomes within the EU.

95. As concerns the future governance of the EQF and links with ESCO; it is important to note that ESCO is still very much in its infancy and not widely developed or understood. The first full version is only set to be online at the end of 2016 and is likely to face some operational and technical challenges that will take further time to overcome before the tool can really be utilised.
96. Therefore, EQF and ESCO are at very different stages in their development. Consequently, it would be better to wait until the EQF is more mature and until ESCO has been fully operational for a period of time, and an initial assessment of its functioning conducted, before further consideration of joint governance should be undertaken. At the same time, noting the intended overlap between EQF and ESCO it makes sense to ensure a degree of coordination between the governance of the two tools.

Assessing and validating skills and qualifications

97. Within Europe, the **Europass** set of documents helps to detail and share information on skills and qualifications in a common and transparent way. Any changes to Europass should focus on further enhancing transparency and simplifying the range of documents and tools.
98. As part of the process of revising Europass, it would be important not to overstate the role that ESCO might be able to play for the reasons referred to above. Therefore, attempting to integrate this as an essential element of the revised Europass would be premature and ill advised.
99. The ability to assess and understand skills and qualifications acquired outside of Europe is also increasingly relevant. Europe's population is ageing and the size of the workforce is decreasing. Therefore, the labour market integration of third country nationals, both those already residing in the EU and recent arrivals, is crucial for future prosperity, productivity and growth.
100. In this respect the European Commission published a proposal on 7 June for revising the EU Blue Card directive for the admission of highly skilled third country nationals to the EU. A labour market integration action plan was also published, which explored the role of education and training in facilitating integration.
101. Labour market integration has taken on greater significance in view of the numbers of asylum seekers and refugees coming to Europe over the past year or so. To facilitate integration it is important to **assess the existing skills and qualifications held by migrants** as well as to provide opportunities for further education and training, where needed, including language courses.
102. An example of actions in this area is Denmark where a tripartite agreement has been concluded between the government, employers and trade unions outlining initiatives to integrate refugees and give new-comers a foothold on the labour market. This includes designing a nationwide job-targeted competence clarification tool. The tool is intended to contribute to providing systematic and consistent methods of job oriented competence clarification in the integration process across local authorities. The social partners will be involved in the design of the tool and contribute to making it useful in the matching of a person's competencies with the labour market and specific job openings.

103. BusinessEurope supports the proposal in the Skills Agenda to launch a skills profile tool for third country nationals. This tool should be developed in collaboration with employers and take into account emerging national initiatives, such as in Denmark. At the present time, this approach for assessing the skills and qualifications of migrants would be more appropriate than entering into a time consuming revision of the EQF to incorporate the referencing of third country qualifications frameworks.

Conclusion

104. BusinessEurope broadly welcomes the Skills Agenda, in particular the strong focus on digital skills. This includes regarding digital skills among the category of basic skills. The data demonstrates the need to explore ways to up-skill adults with low levels of basic skills and the three elements that are proposed to achieve this (a skills assessment; tailored learning offer; and validation and recognition of skills) can be considered appropriate. However, situating these within the framework of a council recommendation for a skills guarantee is not the right approach. Actions should instead be channelled through the European semester process.

105. STEM-related skills and competencies must not be overlooked. STEM skills are increasingly valued, and required, by companies as they should form key components of education and training at all levels and across different pathways.

106. A positive case can be made for VET through demonstrating the employment opportunities that young people have after finishing their training. To this extent benchmarking and graduate tracking can play a useful role. It is also important to look at the governance of VET and to make it more demand-led with the greater involvement of employers and, where appropriate, social partners.
