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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE  
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Report on the Implementation of the Commission's Action Plan for Skills and Mobility  
COM(2002)72 final**

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## EXECUTIVE SUMMARY

The Commission's Action Plan for Skills and Mobility of February 2002 had the objective of helping to create a favourable environment for more open and easily accessible European labour markets by 2005. The annual assessment of the implementation process took the form in 2003 of a contribution to the Commission's report to the spring European Council. However, at a mi-term point in the implementation it is appropriate to provide a specific assessment on the occasion of the 2004 spring European Council of the state of play regarding each of the 25 priority areas for action, and the measures put forward to support them.

The present Communication on European Employment Mobility provides a policy context, describing the challenges regarding skills and mobility affecting the acceding countries, and the down-beat economic environment over the past couple of years which has imposed its own constraints on developing more mobility between jobs and between countries. The main purposes of the Communication are to: a) Describe the progress made in implementing specific elements on the Action Plan; b) Analyse the contribution made to the European Employment Strategy and the Education and Training 2010 programme; and c) Identify areas where progress has been made, where it has been slow, and where further action could be beneficial.

The largest part of the report is devoted to the progress on implementation. It underlines the institutional and political context and the extent to which labour mobility-related issues are reflected by the various Institutions and processes, particularly in the employment and education and training fields. At the current stage of the cycle, it is important to examine the extent to which specific measures have been carried out and how the three main objectives of the Action Plan (expanding occupational mobility, facilitating geographic mobility, and improving information) are on track for being achieved.

With regard to occupational mobility, the main areas where progress have been made include the adoption of a series of benchmarks by the Council to be achieved by 2010 (on early school leavers; graduates in mathematics, science and technology; completion of upper secondary education; low-achieving 15 years olds in reading literacy; and Lifelong Learning participation). These benchmarks include key objectives in the field of occupational mobility which were adopted by the Council in the Employment Guidelines. Preparations have also been made for a Europass framework to support the transparency and transferability of qualifications. However, progress has been slower on the developing new skills and their qualifications related to the ICT sector (an essential component of the knowledge economy and society) and in promoting continuing vocational training and lifelong learning.

On geographic mobility, good progress has been made on introducing the European Health Insurance Card, simplifying and modernising co-ordination on social security rights, improving the freedom of movement for third country nationals, making pension rights more portable (including the possibility for companies to set up EU wide pension plans), launching the Language Action Plan, and strengthening mobility for education and training purposes. On the obverse side of the coin, progress has been poor on the draft directive to streamline the recognition of qualifications, and on the draft directive on immigration for work-related purposes as part of the EU-wide policy on immigration.

As part of the push to improve information and the transparency of job opportunities, the opening of the European Job Mobility Portal, along with the launch of the mobility

information campaign has been a positive step. The modernisation of EURES has similarly helped prepare the groundwork for more intense labour market mobility, particularly for when job applicants throughout the EU will have access to all the job vacancies advertised by the public employment services in 2005.

The social partners' involvement in labour mobility has been strengthened through adopting mobility as one of the three key priorities in their joint 2003-2005 work programme, and through their 2002 framework of actions for the lifelong development of competences and qualifications (which is reported on at the Social Summits which precede the spring European Councils).

A brief analysis is also presented on the inter-relationship between skills and mobility and the European Employment Strategy, on the one hand, and the Education and Training 2010 programme, on the other. The continuing importance of mobility issues is reflected in the greater degree of emphasis being found on them in the current Employment guidelines compared with previously, and in the work launched in key areas (knowledge society skills, ICT access, increasing education and training mobility) as part of the "2010" programme.

The final part of the Communication is devoted to examining where good progress has been made, where progress leaves more to be desired, and what additional areas for initiatives would be beneficial. It is clear from the evidence presented in the annex that rates of both occupational and geographic mobility continue to be low, and that more efforts will be needed if labour mobility is to contribute effectively to the improved operation of the European labour markets in the years ahead.

## THE POLICY CONTEXT

The Commission's Action Plan for Skills and Mobility, adopted in February 2002<sup>1</sup>, was designed as a contribution to achieving the Lisbon objectives of more and better jobs, greater social cohesion and a dynamic knowledge-based society. The Action Plan, with the overall objective to ensure that European labour markets are open to all with access for all, serves a dual purpose: first, to guarantee and to put into reality the freedom of movement of workers, a fundamental right of the citizens enshrined in the Treaties; secondly it contributes to building up a well-educated, adaptable and skilled workforce, which is the key to future employment and productivity growth. Investment in people – in human capital – is a key driver for economic growth and contributes to reinforcing economic and social cohesion.

The acceding countries share the challenge of promoting a better skilled and adaptable labour force. Their economies are undergoing rapid restructuring, and national and EU policies, including the European Social Fund, therefore need to support human resource development in all sectors of the acceding countries' economies and societies. After enlargement on 1 May 2004 the free movement of workers from the new Member States into the rest of the EU will be subject to a flexible system of transitional periods for up to 7 years. While these transitional arrangements could limit geographical mobility from the new Member States to some of the current Member States, and possibly also between a number of the new Member States for a few years<sup>2</sup>, the measures described in the Action Plan are nevertheless also highly relevant for the latter, and the extent to which they incorporate such measures following accession will be keenly observed.

Overall mobility figures, both between jobs and in a geographical sense, were already low at the time of the adoption of the Commission's Action Plan in early 2002. Since then, the overall economic circumstances have made it even less likely for mobility to take place. Europe continued to feel the impact of a prolonged economic slowdown, with the 2002 weakness (EU GDP growth rate around 1%) carrying over to 2003 (expected growth rate 0.8%). Economic growth is expected to resume in 2004 and 2005, with expected rates of about 2% and 2.4%.<sup>3</sup> While employment performance of the EU Member States has been mixed during this period, employment growth at EU level came to a standstill in 2003, and is expected to grow at 0.3% in 2004 and 0.8% in 2005. An economic slowdown implying that fewer job vacancies are available may reduce the propensity of moving between jobs and therefore have a negative impact on overall mobility rates – a lower proportion of employees (16,4%) had been with their employers for less than one year in 2002 than had been the case in 2000 (17,5%) – see annex Table 1. It also reduces the preparedness of actors from the sectors that have been most seriously affected by the recent slowdown to invest in some of the measures foreseen in the Action Plan. While recent economic developments may thus have a short-term impact on the implementation of some of the Action Plan measures, it does however not change its original justification. Life-long learning, human resource development and mobility between sectors are central elements for productivity growth and therefore also key factors to increase economic and employment growth.

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<sup>1</sup> (COM(2002)72 final)

<sup>2</sup> According to a recent study transitional periods will in any case only postpone the main migration flows from the Central and Eastern European countries to the rest of the EU, but not change the overall size of the flows or the long-run stocks of the migrant population. See: Potential Migration from Central and Eastern Europe into the EU-15. An Update. Report for the Commission, DG Employment and Social Affairs by p. Alvarez-Plata, H. Brücker, B. Siliverstovs (DIW Berlin), October 2003.

<sup>3</sup> Source: Commission Directorate General for Economic and Financial Affairs Autumn 2003 Forecasts.

## OBJECTIVES OF THE COMMUNICATION

Since the adoption of the Action Plan many of the measures called for have been the subject of specific proposals or the adoption of legislation or equivalent instruments designed to achieve the Action Plan's goals. The purpose of the present Communication is to provide a "mid-term" report on the progress made in implementation, and to describe the broader policy orientations decided upon both at EU and at national level which will go towards opening up the EU labour markets and support labour mobility as a policy objective. It also identifies areas where progress has been slow or insufficient, and points up additional areas where further policy initiatives could be needed in order to free up labour markets further through greater occupational and geographic mobility.

This Communication has three parts:

- (1) Describing the progress made in implementing specific elements in the Action Plan for Skills and Mobility.
- (2) Analysing the contribution made to the European Employment Strategy and the Education and Training 2010 programme.
- (3) Identifying areas where progress has been notable, where it has been slow, and where further action could be beneficial.

A series of data and tables is provided in annex to illustrate the evolution of occupational and geographic mobility since the adoption of the Action Plan.

As outlined in the Commission's original Action Plan, implementing the various actions requires responsibility and commitment from a range of actors, also identified by the Council (Employment and Social Affairs) Resolution on Skills and Mobility of 3 June 2002: Member States, the Commission, other EU institutions, social partners and others. While this present Communication focuses on developments at the European level, many of the objectives also need the commitment of actors at the national and regional levels.

This Communication deals mainly with aspects related to occupational and geographic mobility, and relevant education and training factors. In parallel, and to ensure complementarity, the Commission has also adopted on 20 January 2004 a first report<sup>4</sup> on the implementation of the July 2001 Recommendation of the European Parliament and the Council on the mobility of students, persons undergoing training, volunteers and teachers and trainers<sup>5</sup> and the Action Plan for Mobility endorsed by the Nice European Council in December 2000<sup>6</sup>.

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<sup>4</sup> COM(2004)21

<sup>5</sup> OJ L 215 of 9.8.2001, p. 30.

<sup>6</sup> Resolution of the Council and of the representatives of the governments of the Member States, meeting within the Council of 14 December 2000 concerning an action plan for mobility (2000/C 371/03), OJ C 371 of 123.12.2000, p. 4.

## 1. PROGRESS IN IMPLEMENTATION

### 1.1. Institutional and political context

When it was adopted the Action Plan received a positive welcome by the other EU institutions. The Presidency conclusions from the Barcelona European Council of March 2002 called upon the Council to take the necessary steps to put into practice the proposed measures. Furthermore the Brussels Spring European Council of March 2003 urged that momentum behind the Skills and Mobility Action Plan be maintained.

The European Parliament adopted a substantial Resolution on Skills and Mobility on 10 October 2002, while the Committee of the Regions adopted an opinion on the Commission's Action Plan on 20 November 2002.

The Council (Employment and Social Affairs) Resolution on Skills and Mobility of 3 June 2002 invited the Commission, Member States and Social Partners to undertake a series of measures. The Council also adopted in November 2002 a Resolution on the Promotion of Enhanced European Cooperation in Vocational Education and Training<sup>7</sup>, setting out a range of priorities for action in the fields of transparency, recognition and quality, also endorsed by Ministers from the Member States, EEA countries and candidate countries, as well as the European Social Partners, in the 'Copenhagen Declaration' of 30 November 2002<sup>8</sup>.

In addition, the new overall cooperation scheme for education and training ("the Education and Training 2010 programme on the future objectives of education and training systems in Europe"), launched in Stockholm in March 2001 to follow-up the Lisbon Strategy, and made operational by the Work Programme on the Objectives of Education and Training Systems, adopted by the Council and the Commission on 14 February 2002 ("Education & Training 2010"), gives high priority to the issues of competencies and mobility in the European knowledge society and economy. These policy initiatives re-enforced previous ones focusing on mobility for learning purposes; the 2000 Action Plan for Mobility and the 2001 Mobility Recommendation referred to above.

The Communication from the Commission on 'Making a European Area of Lifelong Learning a Reality'<sup>9</sup>, followed by the Council Resolution on lifelong learning in June 2002,<sup>10</sup> called for the development and implementation of national strategies for lifelong learning, setting out the key elements (building blocks) of such strategies. A range of priorities for action at European level was also set out, concerning *inter alia* recognition of qualifications and competences, guidance and investment. The follow-up to the Copenhagen Declaration (see above) takes forward several key elements of the lifelong learning Communication and Resolution, focusing on the particular requirements of vocational education and training. Furthermore, the Commission adopted in November 2003 a Communication on "Education and Training 2010: the success of the Lisbon strategy hinges upon urgent reforms" as its contribution to the joint interim report which the Education Council and the Commission will present to the 2004 Spring European Council. It draws attention to the still inadequate levels

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<sup>7</sup> OJ C 013 , 18/01/2003 p. 2.

<sup>8</sup> "Declaration of the European Ministers of Vocational Education and Training, and the European Commission, convened in Copenhagen on 29 and 30 November 2002, on enhanced European cooperation in vocational education and training. (Cf. [http://europa.eu.int/comm/education/copenhagen/index\\_en.html](http://europa.eu.int/comm/education/copenhagen/index_en.html))."

<sup>9</sup> (COM 2001 (678) final)

<sup>10</sup> OJ C/163/1

of mobility in education and training and calls for a significant increase in participation by 2010. It also reports on progress in the implementation of the 2002 detailed work programme on the future objectives of the education and training systems, the Copenhagen process and the follow-up to the lifelong learning Communication and Resolution.

The Commission's commitment to reflect the Skills and Mobility Action Plan in the revised Employment Strategy for the period 2003-2010 is evidenced by the Council Decision on the Employment Guidelines of 22 July 2003. Promoting occupational and geographic mobility is highlighted as one means of addressing change and promoting adaptability and mobility on the labour market in Guideline n° 3, while Guideline n° 4 aims at promoting the development of human capital and lifelong learning. Further analysis on the contribution made to the Employment Strategy will be found in Part 2.

Furthermore, the Broad Economic Policy Guidelines for 2003-2005 stated that obstacles and disincentives to labour mobility – both geographical and occupational – impeded the proper functioning of the labour market and left ample scope for an improved match between job openings and the human resources available to fill them.

The structured involvement of the European Social Partners in implementing the Action Plan is important, as they have a vital role to play in many of the actions. Mobility is one of the three key priorities (along with employment and enlargement) decided upon in November 2002 in their joint multi-annual work programme (2003-2005).

Finally the potential contribution of the information society in the development of skills, knowledge and competencies must be recognised and taken into account through the various measures foreseen.

## **1.2. Measures taken to achieve specific objectives**

The following section provides an overview of the progress made regarding the various policy objectives identified in the original Action Plan (expanding occupational mobility and skills development, facilitating geographic mobility, and improving information and the transparency of job opportunities), and the extent to which the 25 priorities identified and the requisite measures put forward have been implemented.

### *1.2.1. Expanding occupational mobility and skills development*

#### **1. Responsiveness of education and training systems to the labour market:**

Free access for all citizens to the acquisition of key skills is important for employability and further learning, and responding to the need to further **basic qualifications** was one of the main concerns of "Education & Training 2010". The working group on basic skills, established in the context of this process, has further elaborated the list of basic skills suggested in the Lisbon conclusions. It has defined eight domains of key competences (including knowledge, skills and attitudes), which should be acquired by the end of compulsory education (communication in mother tongue and foreign languages, mathematical literacy and basic competences in science and technology, ICT skills, learning-to-learn, interpersonal and civic competences, entrepreneurship and cultural awareness). These are also recommended as a framework for compensatory education and training for those who need to complete, maintain and update any of these competences in the course of lifelong learning.



**ICT-related skills** are also being tackled by other working groups established under the above process (ICT in education and training, teachers and trainers education).

An **e-Learning** programme (expected budget €44 million), which i.a. addresses digital literacy and access for all citizens to the acquisition of key skills, will enter in force on 1 January 2004.

## 2. Increasing young people's interest in maths, science and technology

This priority is needed to combat skills deficits in industry, manufacturing and ICT-related sectors, and raising young people's interests in **maths, science and technology** and its implications for the training of teachers and the creation of appropriate learning environments have been addressed by the working group established in the context of "Education and Training 2010" to deal with maths, science and technology and lifelong guidance. (see above, point 1).

The Council adopted on 5 May 2003 five concrete European Benchmarks for the improvement of education and training systems in Europe up to 2010, one of which foresees that the total number of graduates in mathematics, science and technology in the European Union should increase by at least 15% by 2010 while at the same time the level of gender imbalance should decrease.

The social partners are promoting young people's interest in science and technology in order to help address the skills gap through a joint declaration and an awareness-raising campaign that is part of the framework of actions for the lifelong development of competences and qualifications (see below, point 4).

The **research** sector is an important one to raise young people's interest in science and technology. The Barcelona European Council set the goal for research & development investments in the EU to be increased, with the aim of approaching 3% of GDP by 2010, with 2% of that 3% objective coming from private investment. Increased investment in research will raise the demand for researchers: about 1.2 million additional research personnel, including 700 000 additional researchers, are deemed necessary to attain the objective, on top of the expected replacement of the ageing workforce in research.<sup>11</sup> Research careers need to be made more attractive in order to fulfil the challenge of a knowledge based economy and society; with this in mind the Commission adopted its Communication on "Researchers in ERA: one profession, multiple careers"<sup>12</sup>, also aimed at helping the creation of the "European Research Area" (ERA). Boosting the support for the training of researchers will be achieved by increasing the budget of the Marie Curie Actions in the 6<sup>th</sup> Framework Programme: €1.58 billion will support the training and mobility of researchers from 2002 to 2006. These efforts are crucial, since studies show that spending on research across the EU is currently lower than during the second half of the 1990's, and that EU companies tend to invest more in the USA than in the EU itself (€5 bn net outflow in 2000)<sup>13</sup>. In addition, an increasing number of EU scientists were moving to the USA, while restrictive immigration practices and red tape were making it difficult for non-European researchers to live and work in the EU.<sup>14</sup>

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<sup>11</sup> COM (2003) 226 final of 30.04.2003 and SEC (2003) 489 final of 30.04.2003

<sup>12</sup> COM(2003) 436 final of 18.7.2003

<sup>13</sup> "Key Figures on Science, Technology and Innovation" European Commission, November 2003

<sup>14</sup> Brain drain – Emigration Flows for Qualified Scientists" MERIT, November 2003

3. Raising education levels, and reducing the numbers of those leaving school without formal qualification

As foreseen under this priority in the Commission's Action Plan, the Council adopted in May 2003 concrete European Benchmarks for the improvement of education and training systems in Europe up to 2010. Those designed to improve the situation regarding **upper secondary education and early school leavers** are:

- by 2010, an EU average rate of no more than 10 % early school leavers should be achieved.
- by 2010, at least 85 % of 22 year olds in the European Union should have completed upper secondary education - this benchmark is reinforced by Employment Guideline n° 4, adopted under Art 128(2) of the Treaty.
- by 2010, the percentage of low-achieving 15-year olds in reading literacy in the European Union should have decreased by at least 20% compared to the year 2000.

4. Closer links between education, academia and industry, and careers guidance

Making learning providers more responsive to the needs of learners and the labour market means **improving links between the worlds of education and business**. The Leonardo da Vinci programme is contributing to this process by providing for measures such as study/site visits, joint projects, exchanges involving teachers and managers/employees from the world of work. Around 10.000 human resources managers in the business sector, vocational training programme planners and managers, particularly trainers, and occupational guidance specialists have benefited so far from such mobility exchange measures. In addition, some 200 pilot projects per year are supported, a large number including training organisations and companies. Furthermore, in the context of the e-Learning initiative, a group of major companies in the e-Learning sector set up eLIG (eLearning Industry Group) to dialogue with the Commission and examine public-private partnerships, in particular with higher education and training institutions.

With respect to the responsiveness of education and training systems to the needs of the new emerging labour market, the Copenhagen declaration, as well as the follow-up to the Communication and the Resolution on lifelong learning, also recognised **information, guidance and counselling** as a priority area for action. It called for the strengthening of policies, systems and practices for guidance at national level to improve occupational and geographical mobility. The Commission's expert group on lifelong guidance is developing models of lifelong guidance service provision to support occupational mobility, quality criteria for the delivery of guidance within a framework of lifelong learning, and the production of a handbook for policy makers. The priorities of the 2003-2004 call for proposals of the Leonardo da Vinci programme include improving careers information on new and emerging occupations and the development of innovative partnership approaches to providing workplace guidance services, in particular for workers in need of re-training and for older workers.

The importance of co-operation between the authorities in charge of training and/or employment, institutes/schools/universities and has been underlined by the **social partners** contributing to the identification and anticipation of competences and qualifications needs, with reports and studies having been conducted in several countries. Areas of interest include:

the identification of basic competence needs or competences linked to ICT; supporting small and medium enterprises to identify competence and qualification needs; developing the competences of certain categories of workers to maintain and develop their employability; helping companies and organisations to put in place competence management policies and evaluate their impact; and matching training offers with the needs of companies and the labour market.

Initiatives to establish a **network of industry/educational advisory bodies** have, however, been stalled by the recent economic slowdown, which has reduced the preparedness of private actors to invest human and financial resources in such co-operation networks.

## 5. Competence development strategies, lifelong learning and continuing training

Raising participation in lifelong learning is a cornerstone of employment and training policies, but according to the 2003 National Action Plans for Employment (NAPs), strategies for **lifelong learning** vary in their coherence and comprehensiveness. In fact the EU labour force survey indicates that in the EU as a whole there was no improvement in the proportion of the working population taking part in education and training between 2000 and 2002 (see annex, table 7). Considerable progress will therefore be needed before a well-developed lifelong learning culture with wide public acceptance and participation is achieved. In addition, reports on the implementation of national strategies for lifelong learning from Member States, the EFTA/EEA countries, the acceding and candidate countries<sup>15</sup> show that, while lifelong learning is an issue affecting the population as a whole, the main focus is currently on initial education and the working population. There is little reference to development of a lifelong learning ethos through basic schooling, but all countries highlight the removal of barriers to learning and improving access for various at-risk or disadvantaged groups, and emphasise getting quality for money already spent rather than providing new funding. The Commission's draft interim report dealing with "Education & Training 2010" stipulates that "*in 2005 by the latest, all countries should have defined a strategy of this kind involving all the actors concerned, as well as a coherent action plan for its implementation covering all the dimensions of the systems (be they formal or non-formal)*". At present there is little evidence that private-sector investment (including that of individuals) is increasing, in particular in the area of continuing vocational training.

One of the **European Benchmarks** for the improvement of education and training systems in Europe up to 2010 adopted by the Council on 5 May 2003 foresees that by 2010, the European Union average level of participation in lifelong learning, should be at least 12.5% of the adult working age population (25-64 age group) - this benchmark is reinforced by Employment Guideline n° 4 (see Part 2 on the European Employment Strategy).

The **social dialogue** is important in the lifelong learning field. In all Member States the percentage of employees participating in continuous vocational training courses (internally or externally) is higher in those enterprises where agreements have been concluded between the social partners or with the employees compared with those where no agreements exist<sup>16</sup>. This applies both to men and women and across the board also for SMEs, medium-sized and large enterprises.

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<sup>15</sup> [http://www.europa.eu.int/comm/education/policies/2010/et\\_2010\\_en.html](http://www.europa.eu.int/comm/education/policies/2010/et_2010_en.html)

<sup>16</sup> Data from the Eurostat CVTS2 with reference year 1999

The importance of **mobilising resources** for the lifelong development of competences and qualifications is reflected in the wide variety of instruments developed. These include company investment in competence development (e.g. establishment of competence development strategies in companies, investment in training, time-off for training), investment by the individual (e.g. training vouchers) and co-investment (e.g. training cheques, joint social partners funds and European Social Fund programmes) as well as the establishment or reinforcement of tax incentives.

#### 6. European lifelong learning awards

In order to recognise employers who introduce innovative competence development strategies, the Commission awarded the first **EU Awards** for workplaces with particular exemplary practices on 27 March 2003. The objective of these awards is to spotlight and to disseminate best practice in the fields of lifelong learning, anti-discrimination and gender equality, three factors which are essential in the EU's drive to create better quality, high-performance jobs. The EU lifelong learning at the workplace award went to a Finnish law firm, the diversity at the workplace award going to an Irish microprocessor manufacturer, and the gender equality at the workplace award going to a German pharmaceutical company. A list of the top 100 workplaces in the European Union was also selected. More than 1,000 applicants of all types and from all 15 EU Member States originally entered the competition for these awards. Each submitted a questionnaire detailing its practices in the areas of lifelong learning, diversity and gender equality. Applicants also conducted random surveys of their employees on these issues, with more than 100,000 employees participating.

#### 7. ICT and e-business skills definition

Discussion on alternative definitions and the related training and licensing models are ongoing, among others in the ICT working group set within the framework of the Education and Training 2010 programme. However, progress on developing commonly agreed **ICT and e-business skills definitions** has been slower than expected. The economic slowdown and the burst of the Internet bubble have negatively affected the political agenda as well as the motivation of industry to contribute significantly to these efforts. While the debate in the media in 2003 focused largely on offshore outsourcing, progress and efforts are mainly driven by the needs and the strategies of enterprises.

#### 8. Monitoring ICT and e-business skills

The Commission set-up in September 2001 an "ICT Skills Monitoring Group" composed of representatives of all EU Member States and Norway to better monitor of the demand for such skills. The group released a synthesis report in May 2002 and a benchmarking report of national policies in support of ICT skills in October 2002. Following on from the European e-Skills summit of 16-18 October 2002 and from the Council Conclusions of 5 December 2002 on ICT and e-business skills, the Commission established a **European e-Skills Forum**<sup>17</sup> in March 2003. The Forum brings together all relevant stakeholders (including the OECD) in the field and aims to provide an open platform to promote dialogue, consensus building and a shared vision on the key challenges relating to ICT and e-business skills, such as the measurement of the shortages and mismatches and policy responses. A key element of the mandate of the Forum is to agree on common ICT practitioner and user skills as well as e-

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<sup>17</sup> European e-Skills Forum on Europa: <http://europa.eu.int/comm/enterprise/ict/policy/ict-skills.htm> and European e-Skills Forum Online Platform: <http://cedefop.communityzero.com/esf>

business skills definitions, on which the Forum is expected to agree a proposal early in 2004. In addition a study on the impact of offshore outsourcing in the field of ICT services will be launched in 2004. The Forum will deliver its report to the Commission in June 2004 and a major conference – European e-Skills Forum Conference 2004 – will be organised on 14-15 June 2004 in co-operation with CEDEFOP and in partnership with industry and social partners.

#### 9. Identification, assessment and recognition of non-formal and informal learning

In order to lower the barriers to the recognition of learning wherever it is acquired, a draft set of common European principles for the **validation of non-formal learning** has been developed within the framework of the Copenhagen process, with the aim of ensuring greater compatibility between approaches in different countries and at different levels. A first set of principles will be presented in spring 2004. In addition, a European inventory on methods for validation of non-formal and informal learning is being set up (2003/2004) supporting exchange of experiences and mutual learning. Some countries have begun to establish systems for validation of non-formal and informal learning in the context of removing barriers to further learning. The **social partners** have shown their concern to build bridges between the world of formal education and the world of work, which plays an essential role in acquisition of non-formal and informal competences.

#### 10. Transparency and transferability of qualifications

This priority is essential to facilitate mobility within and between sectors, and the proposal for a decision of the Council and the European Parliament for a **Europass** transparency framework, adopted by the Commission on 17 December 2003 is significant here, as well as being the first concrete output of the Copenhagen process. Europass will be a co-ordinated portfolio of documents linked to the European CV. Supported by an Internet-based information system, it will include existing documents (diploma supplement, certificate supplement, European Language Portfolio<sup>18</sup>, and the MobiliPass, which will replace Training certificate formerly called Europass-) making them easier to access for citizens and employers, and increasing their impact and visibility. It will also be open to new transparency documents. Consistent with the aim of better co-ordination and rationalisation, a single body in each country will co-ordinate implementation, including the activities of related European networks and services, and information on Europass will be accessible through the European Job Mobility Portal.

Increasing transparency and mutual trust within and between VET systems is highly dependent on **quality in VET**. A Common Quality Assurance Framework being developed as part of the Copenhagen process will provide a European reference for policy makers and practitioners at systems and provider levels by building on the key principles of the most relevant existing quality assurance models.

A study of existing European **information and guidance** networks that support geographical mobility for education, training and work will commence in 2003 under the aegis of the Commission's expert group on lifelong guidance and in preparation of the implementation of the Europass decision. It will identify areas of commonality and complementarity, and promote synergy between the networks.

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<sup>18</sup> Developed by the Council of Europe

The technical working group on **credit transfer** for vocational education and training produced a progress report in November 2003 indicating that a European credit transfer system for VET (ECVET) should aim to support transparency, comparability, transferability and recognition of competences and/or qualifications, between different countries and at different levels, by developing common reference levels and taking into account relevant experiences in higher education. In higher education, the European Course Credit Transfer System (ECTS) is now widely used by higher education institutions to facilitate mobility of students. This system is also in use by institutions as an own transparency instrument and is now being taken up in the legislation of many Member States. In the framework of the Bologna process, the recent Ministerial Conference of Berlin encouraged further progress with the goal that ECTS becomes not only a transfer but also an accumulation system.

The role of **sectors** in promoting vocational education and training is also addressed by the Copenhagen declaration, the sectoral level being of particular importance for the development of European and international VET-solutions, for example agreeing on common qualification standards and training modules. A mapping of initiatives has been launched in co-operation with CEDEFOP (European Centre for the Development of Vocational Training) which will lead to the establishment of a database, serving the needs of multiple actors involved in both development and provision of education and training, for increased visibility of initiatives at sectoral level, as well as mutual learning. In addition, the Leonardo da Vinci programme will systematically support initiatives at sector and branch level.

#### 11. Investment in human resources in less advanced regions

Promoting efficient and cost-effective investment in **human capital** is one of the major functions of the European Social Fund. In the current programming period, some 62% of the total ESF expenditure has been allocated to employability measures, which are principally aimed at promoting the skills and competences of the workforce (key components of underpinning occupational mobility). At the same time, some 20% of the resources are devoted to lifelong learning measures. In addition, the European Investment Bank's loans for human capital development amount up to 8% of its current activity.

The need to combat regional disparities in human capital development across the Member States is clearly reflected in the balance of ESF expenditure – some 51% of total ESF expenditure is in Objective 1 regions (i.e. in regions lagging behind), while Objective 3 (supporting education, training and employment across the EU) accounts for the second-largest share of assistance.

The mid-term review of the ESF during 2003 and 2004 presents an opportunity to review the ESF support for the European Employment Strategy, and to reinforce the effort made to support and promote investment in human capital, in pursuit of the goals of the Lisbon strategy. To this end, a series of national ESF seminars were held throughout the Autumn of 2003 to discuss the potential shift in ESF activities in Member States to adapt them to the revised guidelines of the EES. A European Seminar will be held in January 2004 to bring together the conclusions of these national seminars and to assess the implications for the future. This involves both the revisions to the ESF programmes for the current Member States, but also the way in which human capital development is incorporated into the programming priorities of the new Member States from 2004-2006.

As most of the regions of the new Member States will be in the Objective 1 category, human capital investment to accompany investment in physical capital is equally essential in these regions. This is recognised and reflected in the proposed programming documents submitted

by the Acceding Countries. All in all, the ESF will participate in 25 programmes – 12 in Objective 1, 3 in Objective 3 and 10 in the EQUAL ESF initiative (designed to help tackle work-related discrimination and inequality). In all of them, human resource development is accorded a high priority.

Actions undertaken by the Commission on Rural Information Society are paving the way for full participation of all citizens (even in less favoured regions) in the knowledge economy. The research spearheads in the area by the Commission are multiplied by regional and structural actions; this multiplication effect could be strengthened.

### *1.2.2. Facilitating geographic mobility*

## 12. Application of provisions relating to free movement of workers

It is essential to remove any remaining administrative and legal barriers to mobility. On 11 December 2002 the Commission therefore adopted a Communication on "**Free Movement of Workers** - achieving the full benefits and potential"<sup>19</sup>. This Communication provides information on the most important legal aspects of free movement of workers and gives guidelines to Member States and employers for their implementation of Community law in this field. This made it clear that EU citizens still encounter many legal obstacles for taking up employment in another Member State and when working there. The Commission continues to provide information and to monitor closely the effective compliance by Member States with the Community rules on free movement of workers; a large number of infringement procedures are therefore pending against Member States.

On 5 March 2003, the Commission adopted the second Commission report on the implementation of directives 90/364, 90/365 and 93/96 on the free movement of persons who do not work in the host Member State<sup>20</sup>. The report denounced the continued existence of obstacles to the right of residence of retired people, students and other non-active citizens and referred to the main infringement cases brought by the Commission. The report also referred to the major developments in the case law of the Court of Justice which, proceeding from the concept of Union citizenship, interprets the conditions laid down by these directives more flexibly and to the importance of the proclamation of the Charter of fundamental rights of the European Union at Nice on 7 December 2000, which is vitally important to free movement rules since it codifies and gives a high profile to fundamental rights.

Political agreement was reached by the Council on 22 September 2003 on the proposal, adopted in May 2001, and amended in April 2003, for a directive on the right of citizens of the Union to move and reside freely within the EU<sup>21</sup>. This proposal recasts and simplifies the different existing Community instruments on the **right of residence** of workers and self-employed persons, students, retired people and other inactive people. It also provides that Union citizens will acquire a permanent right of residence in the host Member State after 5 years of residence. Final adoption is expected in 2004.

Political agreement was also reached by the Council on 6 June 2003 on the proposal for a directive on the status of long-term resident<sup>22</sup> which will also improve the **mobility of third country nationals**. After 5 year of legal residence in one Member State, and provided that the

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<sup>19</sup> (COM(2002) 694final)

<sup>20</sup> (COM (2003) 101 final)

<sup>21</sup> (COM(2003)1999final)

<sup>22</sup> (COM (2001)127 final)

other conditions to obtain the long-term residence status are fulfilled, the proposal grants the long-term resident a set of uniform rights which are as similar as possible to those of EU citizens and the right to move and to settle in another Member State for reasons of work, study or other purposes. The conditions for this mobility are facilitated significantly. The Directive was formally adopted on 25 November 2003.

13. Modernisation and simplification of social security co-ordination, introduction of a EU-wide health insurance card

Improving the EU-wide transferability of **social security rights** has been furthered through progress on the reform and simplification of Regulation 1408/71 on the co-ordination of social security systems. The European Parliament adopted its report (the Lambert Report) on 3 September 2003. On 1 December 2003 the Council reached a political agreement on the overall text of the proposal, excluding the annexes. The final adoption of the new Regulation is expected in spring 2004; however, the new Regulation will only enter into force after the adoption of its implementing Regulation. The adoption of Regulation 859/2003, which extends the provisions of Regulation 1408/71 to legally resident nationals of third countries, is an important contribution to the integration of third country nationals. This Regulation entered into force on 1 June 2003.

On the **European Health Insurance Card**, the Commission adopted a Communication on 17 February 2003<sup>23</sup> presenting a roadmap for its gradual introduction to replace the current forms needed for health treatment in another Member State during a temporary stay. Following up on the mandate given by the Spring European Council of 2003, the relevant decisions that will allow to kick-off the deployment of the card on 1 June, 2004 were adopted before summer 2003. At the same time, the Commission tabled a proposal for an amendment to the Regulation 1408/71 which would give the same entitlements to "medically necessary care" to all categories of patients (workers, posted workers, pensioners, students, etc.). Another objective of this proposal is to simplify procedures for citizens. The Council reached rapid agreement on 20 October 2003 on this text; formal adoption is expected in Spring 2004. As a next step, the Commission will launch discussions on the eventual deployment of a "smart" card, which may include other functionalities related to health care.

14. Portability of supplementary pensions

The improved portability of **occupational pension rights** has been the subject of a Commission consultation procedure with the social partners launched in June 2002 with a view to further legislative or other action (collective agreements, directive, recommendation, code of practice, guidelines, etc.). A second stage consultation was launched on 12 September 2003. It suggests action to be taken by the social partners to address obstacles to the acquisition of pension rights (minimum age conditions, waiting and vesting periods), to improve the preservation of acquired pension rights (by protecting them against erosion through inflation) and to facilitate the transfer of pension rights between schemes. The suggestions are largely based on the work carried out within the Committee in the area of supplementary pensions<sup>24</sup> (the so-called Pensions Forum).

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<sup>23</sup> (COM(2003)73 final)

<sup>24</sup> Established by Commission's Decision C(2001) 1775 of 9 July 2001, on the setting-up of a Committee in the area of supplementary pensions.



As concerns the **elimination of tax obstacles** to cross-border provision of occupational pensions<sup>25</sup>, the Commission decided to ask Member States to eliminate all national tax rules that, by discriminating against occupational pension institutions established in other EU countries, infringe the Treaty provisions on the free movement of workers and capital, as well as the freedom to provide services in the field of occupational pensions. This concerns both the cross-border payment of contributions to pension schemes (necessary for cross-border membership) and cross-border transfers of accumulated pension rights. The Commission is presently examining the relevant national rules and taking the necessary steps to ensure their compliance with the Treaty. Eight infringement cases against different Member States have already been opened<sup>26</sup>. Finally, the recently adopted directive on institutions for occupational retirement provision<sup>27</sup> aimed at guaranteeing the free provision of occupational pension services across Europe, as well as the free movement of capitals in this sector, will allow pan-European groups of companies to set up pan-European pension funds, which may facilitate labour mobility within that group.

The Commission followed the implementation by Member States of Directive 98/49/EC on safeguarding the **supplementary pension rights** of employed and self-employed persons moving within the Community, which constitutes the first step on removing obstacles on free movement relating to supplementary pensions. By the end of 2004 the Commission will present a report on its implementation to be established on the basis of replies provided by the Member States to a questionnaire to be addressed by the Commission to them by the beginning of 2004.

#### 15. Improved professional recognition for regulated professions

The Commission tabled proposals to lower the regulatory and administrative barriers to the **recognition of professional qualifications** for regulated professions in March 2002 and called upon the Council and the European Parliament to adopt this Directive on the recognition of professional qualifications in 2003 to enter into force by 2005. The European Council in March 2003 stressed that political agreement should be reached by the end of 2003 on this Directive. However, progress in the European Parliament has been slow.

#### 16. Strengthening of internal market for services

The Commission adopted a proposal for a directive to reduce barriers to the **freedom to provide services** and the **freedom of establishment** in December 2003. This proposal aims at establishing a clear and balanced legal framework to simplify conditions for establishment and cross-border service provision. The proposal had been announced in the Commission's Internal Market strategy<sup>28</sup> and is consistent with the orientations expressed by the European Parliament and the Council.

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<sup>25</sup> Addressed by the Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee of 19 April 2001 "The elimination of tax obstacles to the cross-border provision of occupational pensions" (COM (2001) 214).

<sup>26</sup> See press releases IP/03/179 of 5 February 2003, IP/03/965 of 9 July 2003 and IP/03/1756 of 17 December 2003 on <http://europa.eu.int/rapid/start/cgi/guesten.ksh>. The countries concerned are Denmark, Belgium, Spain, France, Ireland, Italy, Portugal and the UK.

<sup>27</sup> Directive of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision, 2003/41/EC of 3 June 2003.

<sup>28</sup> Commission Communication to the Council, the European Parliament, the Economic and Social Committee, and the Committee of the Regions - A Internal Market Strategy, Priorities 2003 - 2006, COM (2003) 238(01).

17. Removal of barriers to geographical mobility related to wage-mechanisms, tax-benefits and housing

There is only little information about possible improvements in this field. For example, rigidities in the functioning of the **housing** market persist as a problem for internal geographic mobility in certain Member States. The Broad Economic Policy Guidelines 2002 and 2003 deal with this issue, addressing specific recommendations to certain Member States. According to the implementing report of the 2002 BEPGs, the question has, however, not received particular attention at the national level, although the BEPGs for 2003-2005<sup>29</sup> reiterate that Member States should eliminate obstacles to mobility related to the housing market in order to facilitate geographical and occupational mobility. The same Guidelines also call for **wage bargaining** systems to allow wages to reflect productivity, taking account of productivity differences across skills and local labour market conditions.

18. Language and cross-cultural skills

Language competences are indissociable from mobility in Europe. The aim that all pupils learn at least two European languages in addition to their mother tongue is being pursued in the context of the Language Action Plan, adopted by the Commission on 24 July 2003<sup>30</sup>. This plan resulted from the European Year of Languages in 2001, the European Parliament Resolution of 13 December 2001 on the promotion of **language learning** and linguistic diversity, and the Education Council on 14 February 2002 inviting Member States to take concrete steps and the Commission to draw up proposals.

The Language Action Plan sets out the context and the main policy objectives to be pursued within three broad areas: extending the benefits of life-long language learning to all citizens, improving language teaching, and creating a more language-friendly environment. It contains concrete proposals for a series of actions to be taken at European level with the aim of supporting actions taken by local, regional and national authorities. The actions use resources available in existing Community programmes and activities. A number of the actions relate to increasing the mobility of both language learners, and language teachers. The actions proposed, along with those taken by Member States, can secure a major step change in promoting language learning and linguistic diversity. In 2007 the Commission will review the action taken at all levels and report to the European Parliament and Council.

19. More transnational learning in other Member States

Increasing **mobility in education and training** is an essential element of the "Education & Training 2010" work programme. The mobility group set up by the Commission to advance mobility issues within this process provided a first set of policy recommendations, focusing on the three most relevant issues: access to mobility; quality in mobility; opening up Europe to the wider world (mobility from/to outside the EU). They include proposals for: a) reinforcing European mobility, (particularly in the field of vocational training, which is less developed than mobility in higher education); b) making substantial efforts, through concrete actions, to ensure that disadvantaged people have access to mobility within the EU; c) developing a European level "quality charter" for mobility actions; d) increasing the attractiveness of education and training in Europe by developing a European marketing

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<sup>29</sup> (COM(2003) 170 final)

<sup>30</sup> (COM(2003) 449 final)

strategy to support and complement national efforts to promote their education (currently mainly their higher education) in the rest of the world.

These recommendations are reflected in the report Communication on the follow-up of the Mobility Recommendation and Action Plan for the mobility of students, persons undergoing training, volunteers, teachers and trainers within the Community, prepared in parallel with the present Communication<sup>31</sup>.

Increasing and improving mobility for learning purposes will be a political and strategic priority for the **future development of the EU Education, Training and Youth Programmes** after 2006 (when the current programmes come to an end). The proposal on the new programmes for the period 2007-2013 are expected to be submitted to the European Parliament and Council by early 2004.

In addition to the measures in the field of education and training, the issue of the **mobility of researchers** was developed within the context of the implementation of the Commission Communication on “A Mobility Strategy for the European Research Area”.<sup>32</sup> The following progress has been made: the Researchers' Mobility Portal<sup>33</sup> is on-line as of July 2003, and the European network of mobility centres for researchers (ERA-MORE) will be launched in early 2004. Proposals for a Directive and a Recommendation concerning the facilitation of admission of third country researchers will be adopted in early 2004, in order to ease the admission and the mobility of third country researchers. In addition the issue of mobility of researchers is also tackled in the Communication “Researchers in the European Research Area : one profession, multiple careers”<sup>34</sup>.

## 20. Recognition of educational qualifications and competences in non-regulated professions

Promoting both occupational and geographic mobility in the perspective of lifelong learning is being addressed by the measures on transparency, transferability and recognition of qualifications and competences, including the development of quality assurance in VET, being developed under the Copenhagen process. The question of recognition of qualifications and competences in non-regulated professions is therefore dealt with under point 10 above.

## 21. Elimination of limitations related to qualifications in collective agreements

The social partners have addressed this issue in the context of the framework of actions for the lifelong development of competences and qualifications (see section 4 below). The comparison and equivalence of qualifications is also discussed in the sectoral social dialogue at European level. Follow-up actions at the national level included the discussion of the framework of actions between the social partners and the integration of the priorities in collective agreements. Additional information will, however, be needed to assess the progress made.

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<sup>31</sup> COM(2004)21

<sup>32</sup> COM(2001)331 final of 20.6.2001 and SEC (2003) 146 final of 04.02.2003.

<sup>33</sup> <http://europa.eu.int/eracareers>

<sup>34</sup> COM(2003) 436 final of 18.7.2003

## 22. Develop EU-wide immigration policy

On **immigration policy** the Commission adopted in June 2003 a Communication on Immigration, Integration and Employment, responding to the Tampere European Council's request to develop an integration policy for third country nationals in the framework of overall EU policy on immigration. The Communication also addressed employment-related issues concerning immigration, in line with the orientations flowing from the Lisbon Strategy and the Commission's Spring Report. At its meeting on 20 October 2003, the Council on Employment, Social Policy, Health and Consumer Affairs welcomed the Communication, stressing that any labour market related initiatives should be taken in the framework of the Lisbon Strategy and the European Employment Strategy. Regulation 859/2003, extending the provisions of Regulation 1408/71 to legally resident nationals of third countries, entered into force on 1 June 2003. However, overall progress on the issue of economic migration for work purposes has been lacking.

### *1.2.3. Improving information and transparency of job opportunities*

## 23. Establishment of one-stop European Mobility Information Site

The European **Job Mobility Information Portal**<sup>35</sup> was unveiled in September 2003, based on an enhanced version of the existing EURES site with improved contents and functionalities, and integrating the learning opportunities site PLOTEUS, launched on 5 March 2003<sup>36</sup> (Ploteus gives structured access to information on education and training at all levels and in all EU/EEA and candidate countries with information accessible in all EU languages and provided by the network of National Resource Centres for Vocational Guidance - NRCVG). The Job Mobility Portal provides links to other relevant sites, including the Researchers' Mobility web portal. A Commission study of European **information and guidance** networks that support geographical mobility for education, training and work will commence in 2004 in preparation for the implementation of the Europass decision (see point 10). It will identify areas of commonality and complementarity, and promote synergy between the networks.

## 24. Modernisation of EURES

The Commission decision to update the operation of **EURES** was adopted in December 2002<sup>37</sup>, with operational aspects being provided for in a EURES Charter, adopted in April 2003<sup>38</sup>, which contains more detailed descriptions of activities, operational objectives, quality standards, etc. to be applied by those involved in running EURES. Making all job vacancies across the EU available to job seekers by 2005 is a key part of the EURES strategy, and is reflected clearly in Employment Guideline n° 3. A new common IT platform of EURES to be developed by 2005 will support this measure. The Commission is collaborating with the International Labour Organisation to look at new ways of adapting and enhancing the International Standard Classification of Occupations codes (ISCO), initially conceived for statistical purposes, so that they can be used in occupational descriptions useful for job placement and guidance activities.

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<sup>35</sup> <http://europa.eu.int/eures>

<sup>36</sup> <http://www.ploteus.net>

<sup>37</sup> Commission Decision 2003/8/EC - OJ L 5/16 of 10.1.2003

<sup>38</sup> OJ C 106/3 of 3.5.2003

## 25. EU-wide Mobility Information Campaign

A European Mobility Information Campaign was launched in September 2003 to coincide with the opening of the Job Mobility Portal, with a series of targeted actions at sectoral, national, regional, and gender levels.<sup>39</sup>

### *1.2.4. Involvement of social partners*

Following up the inclusion of mobility as one of their **key priorities in their joint 2003-2005 work programme**, a dedicated seminar on mobility was held with the social partners on 13 February 2003 within the framework of the social dialogue. The social partners showed a particular interest in the areas of lifelong learning (see also the various social partner activities reported under objectives no. 4, 5, 9, and 21 above), attracting women and young people to certain professions, the transparency and transferability of occupational qualifications, the portability of occupational pension rights, immigration, and the reform of EURES. The social partners also participate in all the working groups created under the Education and Training 'Objectives process' and Copenhagen process in vocational education and training.

**Lifelong learning** is a policy area where the European social partners also have a particularly significant role, adopting in March 2002 a **framework of actions for the lifelong development of competences and qualifications** as a contribution to the implementation of the Lisbon strategy. They identified four areas for priority actions: identifying and anticipating competences and qualifications needs; recognising and validating competences and qualifications; informing, supporting and providing guidance; and mobilising resources. The member organisations of the European social partners agreed to promote this framework of actions in Member States at all appropriate levels, taking account of national practices, and to transmit the text to all interested players at European and national levels. They draw up annual reports on the national actions carried out under the four priorities, the first of which reports was submitted to the first Social Summit on the eve of the Brussels European Council in March 2003. It indicated how the introduction of the framework of actions in the various national contexts has generated debates and enriched the discussions between the social partners on the development of competences and qualifications, and in some cases has made it possible to group activities around the four priorities identified at European level. The social partners also called on the Commission and the Council to take account of the framework of actions priorities in the context of the future objectives of education and training systems. The effort to promote information exchange and mutual enrichment will be valued and pursued in the years ahead in the context the social partners' multi-annual work programme. The second report on national actions is expected to be submitted to the second Social Summit in spring 2004.

## 2. CONTRIBUTION TO EUROPEAN EMPLOYMENT STRATEGY AND THE EDUCATION & TRAINING 2010 PROGRAMME

The new **European Employment Strategy**, agreed by the Council on 22 July 2003, has been revised to take better account of the needs of an enlarged European Union, to react more effectively to the challenges facing a modern labour market, and to contribute better to the Lisbon strategy. The European Social Fund has actively supported the EES over the years, with most of the thematic issues of the original four pillars of the EES having received ESF

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<sup>39</sup> Information can be found on the European job mobility portal: <http://europa.eu.int/eures>

funding in the majority of Member States. Over the current programming period the ESF has changed its focus from being a training programme to a policy-driven instrument in support of the strategic goals of the EES. At an aggregate level the ESF activities complement the national strategies.

Two key specific Employment Guidelines adopted by the Council in July 2003 address labour shortages and bottlenecks and tackle the need to improve skill levels through lifelong learning.

Guideline n° 3 calls upon Member States to address **labour shortages and skill bottlenecks** through comprehensive policies that fully implement all elements of the Action Plan for Skills and Mobility. In addition to the promotion of occupational mobility and the removal of obstacles to geographic mobility by the implementation of the action plan, the Guidelines in particular call for improving the recognition and transparency of qualifications and competences, the transferability of social security and pension rights, providing appropriate incentives in tax and benefit systems, and taking into account labour market aspects of immigration. The Guideline also calls for the promotion of the transparency of employment and training opportunities in order to support effective job matching and set a specific target: by 2005, job-seekers throughout the EU should be able to consult all job vacancies advertised through the Member States' employment services.

Member States are also encouraged to implement comprehensive **lifelong learning strategies** in order to equip all individuals with the skills required for a modern workforce, and to reduce skills mismatch and bottlenecks in the labour market. To back up this commitment Guideline n° 4 ("Promote development of human capital and lifelong learning") also includes two specific targets for the EU to be achieved by 2010, which strengthen the concrete European Benchmarks for the improvement of education and training systems in Europe:

- at least 85% of 22 year olds in the European Union should have completed upper secondary education;
- the European Union average level of participation in lifelong learning should be at least 12,5% of the adult working age population (25-64 age group).

The Guidelines also state that policies will aim to achieve an increase in investment in human resources.

Based on the adopted Guidelines, the Member States presented their National Action Plans for Employment in October 2003. The Member States provide varying levels of detail on the measures they are undertaking in order to promote occupational mobility and geographic mobility both within the country and across national borders.

Preparations are being made in most Member States to increase the number of vacancies available via the EURES database. However, clear commitments to fulfil the Guideline obligation for all jobseekers throughout the EU to be able to consult all job vacancies advertised through Member States' employment services by 2005 are not always apparent in the National Action Plans. Other measures particularly relevant to encouraging geographic mobility include sectoral recruitment activities (e.g. Austria) and incentives provided to follow training in other parts of the country (Italy). Some countries (e.g. Sweden and Germany) promote the geographic mobility of unemployed workers or workers threatened by unemployment; they provide specific mobility assistance, along with making higher demands regarding the willingness of the unemployed to move to another region to take up a new

occupations. Portugal and Denmark promote mobility inside the public administration, and include in their reform efforts measures such as vocational training, evaluation of the individual and services performances, redefinition of functions and specific training.

Apart from these measures related specifically to the labour market, a number of countries focus on mobility programmes in the area of education, research and training, language learning, the recognition of diplomas, and the development of new systems to assess qualifications. Sweden reports on a specific project aimed at providing holders of university or college degrees, obtained outside Sweden who are not employed in occupations that match their proficiency level, supplementary training that will make them able to take up jobs that correspond to their qualification levels and help them make use of their knowledge and skills.

The transferability of social security and pensions rights is mentioned briefly by only a few Member States. Ireland has recently introduced Personal Retirement Savings Accounts (PRSAs), a low cost, easy access, and long-term personal investment account designed to allow people to save for their retirement in a flexible manner. The Dutch government intends to make it possible for self-employed professionals such as doctors, physiotherapists and other medical specialists to transfer pension rights to and from the administrator of a compulsory occupational pension scheme by introducing a statutory right.

Just three countries mention the labour market aspects of immigration in their NAPs. The Netherlands have a restrictive demand-driven labour migration policy, nevertheless, temporary admission of highly qualified immigrants is accepted to tackle labour shortages. Portugal aims to develop a management of immigration flows through a bi-annual forecast of job offers and activity sectors available. The Swedish government and the confederation of Swedish enterprises have created a Committee for the integration of immigrants into the labour market.

In the field of **lifelong learning**, the implementation of Guideline n° 4 is demonstrated through the commitment of some Member States to increase access of workers, in particular low-skill workers, to training. Belgium, for example, announced in its 2003 NAP the intention to increase participation in education and training of the adult age group (25-64) from 6.5% in 2002 to 12.5% in 2010 (in line with the Employment Guidelines). In Greece the increase announced is from 1.2% in 2002 to 10% by 2008.

As mentioned in Part 1, two closely interlinked processes in the field of **education and training** were launched in 2001 and 2002, which are closely related to the objectives of the Action Plan for Skills and Mobility: the comprehensive work programme on the future objectives of education and training systems ("Education & Training 2010") which aims to foster the convergence of national policies towards the main EU objectives in these areas; and the enhanced European co-operation in vocational education and training called for by the '**Copenhagen declaration**'. The activities developed within the framework of these initiatives directly contribute to the implementation of the Action Plan. The 13 shared European objectives towards which policies are expected to converge by 2010 include Objective 1.2. (Developing skills for the knowledge society), Objective 1.3 (Ensuring access to ICT for everyone) and Objective 3.4 (Increasing mobility and exchange). For these and all other shared objectives, as well as for the main aspects of the Copenhagen declaration, specific working groups have been set up to take forward their implementation. A first stocktaking of these coordinated efforts is provided in the Commission's Communication aimed to serve as a draft for the joint report on "Education & Training 2010" to be submitted by the Commission and the Council to the spring 2004 European Council.

### **3. FOLLOW-UP**

#### **3.1. The following areas can be identified as those where progress has been most notable**

Since the adoption of the Action Plan, progress on its implementation has been advancing in most fields. Among the actions where most notable progress has been made, the following could be mentioned:

- European Health Insurance Card: the replacement of form E 111 by the European Health Insurance Card on 1 June 2004 has been decided upon (the Spring European Council of 2003 having urged its introduction). In addition important progress has been made in the negotiations of the modification of Regulation 1408/71 on the coordination of social security schemes aimed at facilitating this introduction.
- Important progress has also been made in the negotiations on the proposal aimed at simplifying and modernising the Regulation 1408/71 on the coordination of social security schemes.
- Political agreement was reached in the Council on 22 September 2003 on the important proposal on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States.
- The launch of the European Job Mobility Information Portal combining an enhanced version of the EURES site with information on job opportunities, living and working conditions, regional labour market information has substantially improved and simplified the access to practical information on questions related to job mobility. The Barcelona Spring European Council of 2002 called for the setting up of such a facility by the end of 2003. The launch of the PLOTEUS portal on learning opportunities, now also available within the European Job Mobility Information Portal, has equally simplified the access to information related to mobility for learning purposes.
- The adoption by the Commission of the proposal for a decision on the new Europass is a major step towards the rationalisation and streamlining of transparency instruments and related networks, which will provide citizens with a more effective service.
- The Commission's Communication on Immigration, Integration and Employment marks a significant step forward in the development of a balanced policy approach, in particular the recognition that any labour market related initiatives should be taken in the context of the Lisbon Strategy and the European Employment Strategy.



### **3.2. The following areas can be identified as those where progress has been slow**

The original timetable envisaged for making the European labour markets open to all and accessible for all could require some re-appraisal in the light of the additional time needed for the legislative process for some measures and changes in the economic context. Progress in the following areas is slower than expected:

- The proposal for a Directive on the recognition of professional qualifications, tabled by the Commission in March 2002, still awaits the first reading (despite the Spring European Council of 2003 having urged rapid progress to be made on its adoption). The Common Position of the Council should be reached in 2004.
- The proposal for a Directive on the conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities<sup>40</sup> has been strongly resisted in the relevant Council Migration Admission Working Group. It seems more difficult than expected to enable common rules to be established to manage the immigration of third country nationals for economic purposes.
- Little progress has been made on developing commonly agreed ICT and e-skills definitions.

Despite the adoption by the Council of its Resolution on Skills and Mobility in June 2002, progress is still lacking in many Member States with regard to the following areas:

- Developing skills for the new labour market in the context of lifelong learning, in particular in the areas of ICT skills;
- Promoting effective access of adults, whether in employment or job seekers, to further vocational training through the development of an appropriate framework, in consultation with the social partners;
- Equipping young people with the basic skills relevant to the labour market and needed to participate in lifelong learning;
- Promoting initiatives for workers, including a strong component of training, to enter, remain and progress in the labour market;
- Increasing, where appropriate, the transferability of social security rights, including pensions, across the European Union.

It is important to continue to overcome obstacles to occupational and geographic mobility by Member States adopting appropriate measures in line with the Council Resolution, and to provide information on that through the recognised processes.

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<sup>40</sup>

COM(2001)386

### 3.3. Areas where additional effort could be beneficial

**Human capital** development, and the place of occupational and geographic mobility as part of that development, will remain a major issue for the **Structural Funds** in general and the **ESF** in particular, both in the context of the mid-term review (2003-2004) of the Structural Funds, as well as in the next programming period from 2007 onwards. The conclusions of the Commission on this subject will be contained in the Third Cohesion Report to be adopted by the Commission early in 2004. In October 2003, the joint meeting of Ministers of Education and of Employment and Social Affairs from the EU and the acceding countries underlined the importance of a structured co-operation that will support the development of human capital.

There is acknowledgement of the shared responsibility of the multiple stakeholders: national, regional and local public bodies and administrations, social partners and civil, in promoting a **lifelong learning culture** centred on the individual. There is general agreement on the responsibility of the State for funding initial education and training, as well as acceptance of free access to basic and further education and training programmes for adults who lack educational qualifications. While many countries demonstrate recognition of the importance of shared ownership by social partners, for example in designing and implementing dual-system approaches, this recognition is less evident in acceding and candidate countries.

The statistical monitoring of lifelong learning and human capital through the European Statistical System needs to be improved. Relevant comparable data are lacking on some key aspects like participation in non-formal education and informal learning or the skill level of the adult population.

People with **low levels of education** and qualification, older workers, marginalised population groups or those living in disadvantaged areas or outlying regions, and people with learning difficulties are often comparatively unacquainted with the opportunities that exist through education and training. This also restricts their ability to participate effectively in the labour market. One of the fundamental challenges of the future will be to increase the awareness of the disadvantaged groups of the advantages of education and training and to make the systems more attractive, more accessible and tailored more closely to their needs.

Reflection on further extension of the **recognition of professional qualifications to third country nationals** generally will continue once the Directive on the recognition of professional qualifications has been finally adopted.

The European labour market cannot function effectively and smoothly without a European framework to stand as a common reference for the **recognition of qualifications** (as stressed in the Communication taking stock of the implementation of the "Education & Training 2010" work programme). A framework of this kind in Europe should encompass higher education as well as vocational education and training and be based on the national frameworks which themselves must be coherent and cover the various levels of initial and continuing training. Such a common European framework of reference for qualifications which is transparent to both learners and employers and integrates learning at all levels (general and vocational, secondary and tertiary, and acquired in a formal as well as in non-formal way) is required to link education and employment in Europe smoothly, but also to facilitate the individual's lifelong learning pathway. The necessary mutual trust can only stem from quality assurance instruments which are appropriately compatible and credible so that they can be mutually accepted and shared. In this connection, the "Common Quality Assurance Framework " for the development of quality vocational training (as part of the follow-up to the Copenhagen

Declaration) and the creation of a platform for quality assurance or accreditation in higher education (in conjunction with the Bologna process) should be top priorities for Europe.

On the **ICT skills** front, the emergence of global sourcing and of switching ICT software and services operations to outsourcing companies is causing growing concern in the U.S. and a number of EU Member States. Companies with global functions and markets will utilize any opportunities for growth to exploit available talented workforce for the global creation and delivery of their products. Most vulnerable areas for the loss of competitiveness in Europe are in competitive practitioners working in R&D product creation. This also has greatest impact on the creation of employment down the line and relates closely to volumes of intellectual property rights and shadowing the impact on research and education as lost opportunities if Europe cannot compete. It is important to invest more strongly in EU core comparative and competitive advantages, as well as to do what is possible to clarify current developments so that the debate is based on facts. It is crucial to bring together the stakeholders and the social partners to confront the implications of these trends and to identify appropriate responses. Traditional surveys or employment statistics are not necessarily the best tools for basing policy decisions on governmental or business level in this field. New thinking has to be introduced both towards longer-term scenario-based work as well as shorter-term monitoring by innovative barometers. New ways of Industry-Government dialogue have to be found in 2004 to address these dynamic challenges in e-business. These will be explored by the European e-Skills Forum in its report to the Commission scheduled for release in June 2004.

The role of the **information society** in the development of skills, knowledge and competencies has to be recognised and its potentialities put in practice. In this context, it may be worth emphasising the emergence of cyber organisations or truly virtual organisations which provide alternatives to mobility requirements by allowing companies to take advantage of location independence and multilocational skills. While this type of work organisation still represents a minor and emerging paradigm it may grow and provide a serious alternative and response to mobility issues. The development of indicators to monitor this phenomenon of "virtual mobility" based on networking and knowledge sharing would ensure a better understanding of its potential.

## ANNEX

### 1) Levels of occupational mobility and job turnover

Despite slight fluctuations in the numbers changing jobs in individual Member States, the overall movement of workers at EU level between jobs and sectors has not grown significantly. Only 15.2% of people from Member States changed residence over the last ten years for occupational reasons (Eurobarometer 54/Feb 2001). Subsequently this will negatively impact on productivity growth (Employment in Europe, 2003). Sectoral mobility and an adaptable workforce are essential elements in a strategy for productivity growth.

#### Rate of Employees by duration of current employment

	Rate of Employees by duration of current employment 2000			Rate of Employees by duration of Current employment 2002		
	less than 1 year	Between 1-2 yrs	more than 2 yrs.	less than 1 year	Between 1-2 yrs	More than 2 yrs.
<b>AT</b>	3.78	3.2	93.0	:	:	:
<b>BE</b>	14.8	9.8	75.4	13.2	10.0	76.8
<b>DE</b>	15.5	10.8	73.7	15.0	10.8	74.2
<b>DK</b>	24.5	13.8	61.7	22.3	13.3	64.4
<b>EL</b>	13.0	7.7	79.3	13.4	8.6	78.0
<b>ES</b>	23.9	11.1	64.9	22.3	11.3	66.4
<b>FIN</b>	23.6	9.2	67.2	21.6	10.6	67.8
<b>FR</b>	16.9	9.9	73.2	16.3	10.7	73.0
<b>IE</b>	23.9	13.5	62.5	18.5	13.0	68.5
<b>IT</b>	12.77	8.5	78.8	12.5	8.7	78.8
<b>LU</b>	12.4	9.0	78.6	10.2	10.0	79.8
<b>NL</b>	21.1	11.1	67.7	12.8	13.1	74.1
<b>PT</b>	16.4	10.0	73.5	16.1	10.5	73.4
<b>SE</b>	16.6	10.0	73.4	15.0	11.4	73.6
<b>UK</b>	20.4	12.7	66.9	20.1	13.2	66.7
<b>EU-15</b>	17.5	10.5	72.0	16.4	10.9	72.8

41

Source: Eurostat – Labour Force Survey, spring data

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<sup>41</sup> Using a more recent dataset, there are slight differences in figures for 2000 in the Action Plan on Skills and Mobility and those presented here.

## 2) Impact of educational levels on employment and unemployment

The higher the educational level the greater the employment rate. Hence the lower the educational level the larger the individual's risk of unemployment. The variation in employment rates across EU-15 is most noticeable in the low-skilled population, contrasting from 41% Belgium to 67% Portugal. Less variation is seen in the high-skilled population with figures ranging from 78% Spain to 89% Portugal.

<b>Employment, unemployment by education levels in 2002 (age 15-64)</b>								
	<b>Total Education</b>		<b>High</b>		<b>Medium</b>		<b>Low</b>	
	ER	UR	ER	UR	ER	UR	ER	UR
<b>AT</b>	68.2	4.9	85	1.8	72.9	4.8	48.2	8.3
<b>BE</b>	59.7	6.9	82.8	3.5	65.7	6.6	40.8	11.3
<b>DE</b>	65.4	8.6	83	4.3	69.8	8.7	43.6	13.5
<b>DK</b>	76.4	4.3	87	3.7	80.6	3.6	60.4	6.7
<b>EL</b>	56.9	9.8	79.8	6.8	55.6	12.8	49.2	8.5
<b>ES</b>	58.4	11.1	77.5	8.7	58.2	11.4	52.8	12.4
<b>FIN</b>	69.1	10.5	85.5	4.1	72.8	10.4	48.9	19.1
<b>FR</b>	62.9	8.7	79.2	5.5	69.8	7.7	46.6	13
<b>IE</b>	65	4.3	84.8	2.3	71.2	3.8	48.1	7
<b>IT</b>	55.4	9.3	81.8	5.6	64.8	8.8	45.3	10.8
<b>LU</b>	63.6	2.6	83.6	(1.7)	69.1	(1.5)	50.8	4.7
<b>NL</b>	74.5	2.6	86.8	1.7	79.8	2.1	61.7	3.7
<b>PT</b>	68.6	4.8	88.6	4	64.7	5.3	67.3	4.8
<b>SE</b>	74	5	86.2	2.7	79.6	4.8	58.2	8.1
<b>UK</b>	71.5	5.1	87.3	2.6	77.3	5	50.9	10.1
<b>EU-15</b>	<b>64.2</b>	<b>7.7</b>	<b>82.8</b>	<b>4.6</b>	<b>70.5</b>	<b>7.3</b>	<b>49.4</b>	<b>10.8</b>

Source: Eurostat, Labour Force Survey, spring data

Notes:

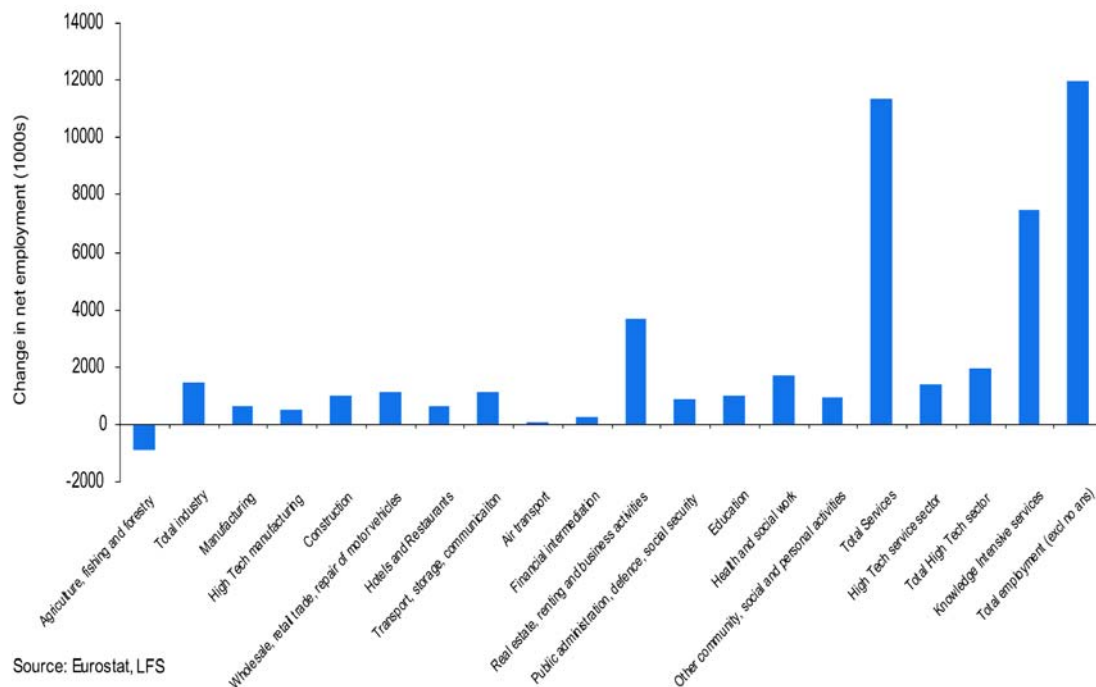
- Data in brackets may lack reliability due to the small sample size
- Educational levels are defined as "high" if the individual has completed tertiary education, as "medium" for upper-secondary education, and as "low" if less than upper-secondary education. Employment and unemployment rates in the column "total education" are calculated on the basis of the LFS for all individuals with non-missing information on the educational attainment level. They might differ from the rates which are calculated on all observations, including those with missing information on the educational attainment level.

### 3) Employment growth in high skilled sectors

There are always labour market demands; therefore the intensity of the mobility of employment across different industries needs to meet these demands. For total employment the relative small values of France, Belgium and the UK suggest that no significant changes occurred in the employment composition. Ireland, Italy and Luxembourg on the other hand transformed their employment structures by more than 10%. In respect to the high-skilled sector Austria, Finland and Luxembourg had the most noticeable mobility into this sector, of at least 15%. Therefore mobility within the employment structures of Member States by level of education appears smaller for low to medium skilled employment than for high-skilled employment.

#### Intensity of change in the employment structure by level of skills

Chart 35- Change in EU 15 Employment between 1997 and 2002 by Sector



#### 4) Educational attainment levels

The percentage of 25-64 year olds who have successfully completed upper secondary education increased by almost 7 percentage points between 1997 and 2002. Therefore the educational attainment of the working age population is improving, with Denmark, Germany, Sweden and the UK leading the way. Educational attainment in Europe is running under 80% compared to Canada, U.S, New Zealand, South Korea and Japan, who are all above the 80% threshold (Comm. DG Education & Culture (EAC), 2003).

<b>% of people with at least upper secondary education by age group in 2002</b>					
	25-34	35-44	45-54	55-64	Total (25-64)
AT	85,2	82,8	74,6	66,9	78,2
BE	76,1	65,3	53,9	40,6	60,3
DE	84,9	85,6	83,9	76,8	83
DK	85,2	80,7	80,4	72,4	80
EL	74,2	61	44,9	28,9	52,7
ES	58,9	46,1	31,4	17,8	41,6
FI	87,6	84,4	71,8	52,8	74,7
FR	78,5	67,5	58,8	46,4	64,1
IE	77	65,1	50,6	36,8	60,3
IT	59,7	49,6	38,8	23,5	44,3
LU	68,4	64,4	58,3	50,8	61,6
NL	77,3	71,9	62,8	54,1	67,6
PT	35,3	20,1	14,6	8	20,6
SE	91,5	87,1	78,9	66,8	81,4
UK	89,5	86,3	77,3	67,1	81,7
EU - 15	74.7	69.2	60.8	49.6	64.6

Source: Eurostat, Labour Force Survey, Spring data

Note: Including GSCE levels in the UK

## 5) Early schools leavers

The rate of early schools leavers has steadily declined by 2 percentage points from 1999 to 2002 (Eurostat, LFS). The youth sector is staying longer in education thereby strengthening their position in gaining a foothold into the labour market in the future. The adopted benchmark set down by the Council in May 2003 stated that the share of the population aged 18-24 with only lower secondary education and not in education or training should decrease by 10% (Comm, EAC, 2003). Presently 73.8% of 20-24 year olds have completed upper secondary education which is 11% under the adopted benchmark (Comm, DG, Education And Culture, 2003).

<b>% of 18-24 year olds having achieved lower secondary education (ISCED level 2) or less and not attending further education or training</b>			
	2000	2001	2002
AT	10.2	10.2	9.5
BE	12.5	13.6	12.4
DE	14.9	12.5	12.6
DK	11.6	8.8	8.44
EL	17.1	16.5	16.1
ES	28.8	28.6	29
FI	8.9	10.3	9.9
FR	13.3	13.5	13.4
IE	:	:	14.7
IT	25.3	26.4	24.3
LU	16.8	18.1	17
NL	15.5	15.3	15
PT	42.9	44.3	45.5
SE	7.7	10.5	10.4
UK	18.3p	17.6p	17.7p
EU15	19.4p	18.9p	18.5p

Source: Eurostat, Labour Force Survey – Spring data

### Notes:

- break in 2000 for PT and FI, 2001 for SE
- In FR, data lack comparability with the other country data due to different reference period (one week preceding the survey).
- In DK and LU, the high degree of variation of results over time is partly influenced by a low sample size.
- Estimations are provided on the basis of the available country data for EU-15 (2000-2001).

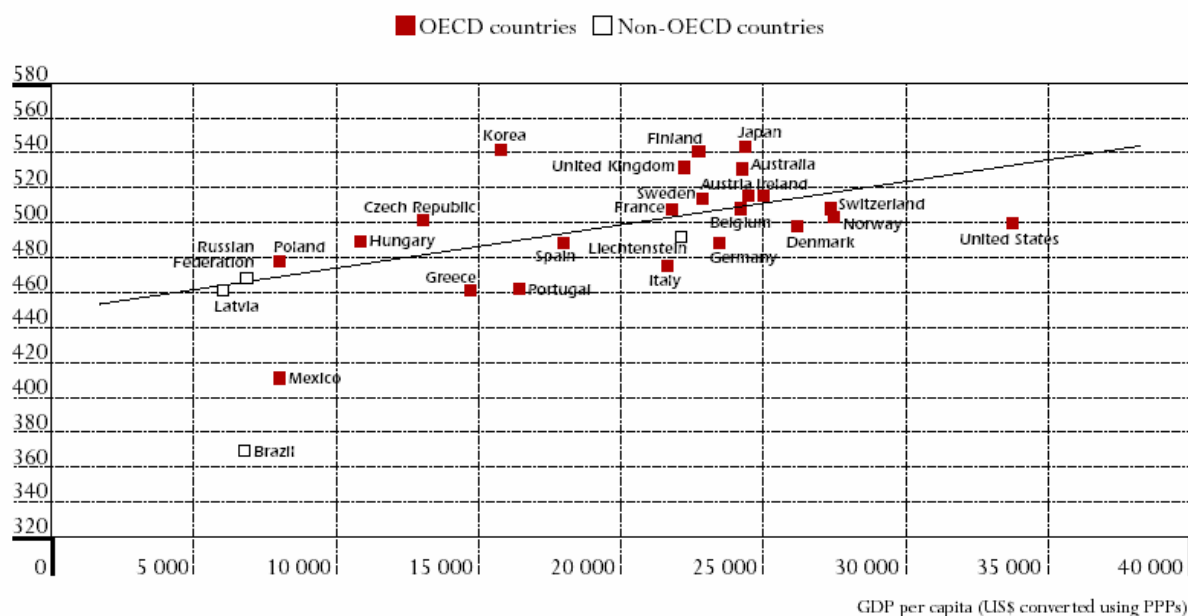


## 6) Basic Skills

To gain and seek employment, and in turn ensure social inclusion, individuals need a basic foundation of skills and knowledge. In an increasingly knowledge-based, service-sector economy in the EU, to retain a competitive labour market edge these basic skills and competencies must be continually built upon and updated for individuals to improve their labour market position and mobility options.

### Student performance and national income

*Relationship between average performance across the combined reading, mathematical and scientific literacy scales and GDP per capita, in US\$, converted using purchasing power parities (PPPs)*



Note: trend line does not take non-OECD countries into account

Source: OECD PISA database, 2001, Table 3.6.

Performance in education needs to be understood in an economic context. Generally the higher the GDP per capita the better the performance level in combined reading, mathematical and scientific literacy, which is evident in Austria, Belgium and France (OECD, Programme for International Student Assessment (PISA), 2000). But countries like Finland and the Czech Republic achieved a higher average score on the PISA assessment than would have been predicted on the basis of their GDP per capita.

Countries with a lower performance level than would have been predicted from their GDP per capita were Greece, Portugal, Germany and Denmark. In light of enlargement, accession countries have a better performance rate than most EU member states.

## 7) Participation of adult workers in training

Since 1997 the participation of adults in training across EU has increased by 2.8% to reach 8.5% in 2002. This is benchmarked to increase to 12.5% by 2010 (Comm, European Employment Strategy, 2003). Increasing training opportunities need to be made available, especially for persons with low to medium levels of educational attainment and older persons with a need for further training to enhance their labour market position. There are disparities in the rates of participation among Member States, but generally there is an overall increase in participation from 5.7% in 1996 to 8.5% in 2002 (EU-15), (Eurostat, LFS, 2003).

### Percentage of adults (25-64 years) participating in education and training

	All		Male		Female		Older (55-64)		Low Education Attainment		Medium Education Attainment		High-Education Attainment	
	2000	2002	2000	2002	2000	2002	2000	2002	2000	2002	2000	2002	2000	2002
AT	8.3	7.5	9.2	7.6	7.4	7.4	2.8	1.9	2.5	1.7	8.5	7.4	17.3	15.2
BE	6.8	6.5	7.6	6.8	6.0	6.3	2.2	2.8	2.4	2.5	6.8	6.8	13.7	12.0
DE	5.2	5.8	5.6	6.1	4.8	5.5	1.0	1.2	1.9	2.2	5.6	6.1	7.4	8.4
DK	20.8	18.4	17.9	16.2	23.8	20.7	11.0	9.3	11.3	10.6	19.6	18.1	30.7	24.5
EL	1.1	1.2	1.1	1.2	1.1	1.1	:	:	(0.1)	:	1.9	2.1	2.0	2.2
ES	5.1	5.0	4.6	4.5	5.6	5.4	0.8	0.8	1.2	1.2	9.0	8.6	13.0	11.4
FI	19.6	18.9	17.7	16.5	21.6	21.4	8.3	8.5	8.7	8.2	18.8	18.0	30.2	28.4
FR	2.8	2.7	2.6	2.4	3.1	3.0	0.4	0.4	1.0	1.0	2.3	2.3	6.9	6.1
IE	:	7.7	:	6.5	:	8.8	:	3.0	:	3.2	:	7.1	:	15.4
IT	5.5	4.6	5.5	4.5	5.4	4.7	0.9	0.7	1.7	1.0	10.3	9.1	10.0	9.0
LU	4.8	7.7	5.7	8.9	3.9	6.4	:	(2.0)	(1.1)	1.9	5.6	8.9	11.4	17.6
NL	15.6	16.4	16.4	16.9	14.7	15.9	6.4	6.5	9.1	9.4	17.9	18.2	20.8	22.6
PT	3.4	2.9	3.3	2.4	3.5	3.3	:	:	1.1	0.8	14.0	12.4	10.7	9.0
SE	21.6	18.4	19.2	15.7	24.1	21.2	13.9	11.3	14.4	10.5	18.6	17.3	30.8	25.2
UK	21.1	22.3	17.9	18.6	24.4	26.3	12.5	14.0	7.1	7.7	20.1	21.0	34.8	35.7
EU-15	8.5	8.5	8.1	7.9	8.9	9.2	3.0	3.3	2.5	2.3	9.9	9.9	16.0	15.8

Source: Eurostat, LFS, spring data.

#### Notes:

- Data in brackets may lack reliability due to the small sample size. The symbol "-" is used when the data is either not available or extremely unreliable.
- Break in 2000 for PT and FI, 2001 for SE
- In FR, data lack comparability with the other country data due to different reference period (one week preceding the survey).
- Estimations are provided on the basis of the available country data for EU-15 (2000).

## 8) ICT skills shortages

The increase in digital literacy and development of skills in the field of information and communication technologies is slow<sup>2</sup>. In Europe productivity growth increased only in ICT-producing sectors. While faster growth in productivity occurred in Europe than in the US in ICT producing services, ICT-using manufacturing and the non-ICT sectors, performance was weaker in the ICT-using services sector and in turn for the larger European economy (Employment in Europe, 2003). This highlights the needs for the extension of technologies throughout Europe.

Despite the relaxing of job permit rules that allow easier entry into Europe for skilled ICT workers from outside the European Union, an internal supply has not been generated sufficiently to affect the demand. A recent study revealed that at the end of 2000 only 5.6% of internet networking professionals in 13 major Western EU countries were women<sup>3</sup>. This is a labour force sector that needs increased encouragement to obtain training and skills to assist in decreasing the shortage in this sector.

The ICT skills gap seems no longer a matter of serious concern for the ICT sector, whereas other issues are entering into the limelight. The cyclical nature of the ICT sector and its current economic stagnation has understandably produced a loss of confidence. Layoffs have caused the expected “signalling” from the labour market to young people considering their future careers, and this has already resulted in a fall in applications for ICT courses at Universities. Major qualitative changes are to be expected and the debate has largely shifted from purely technical ICT skills to the broader definition of e-skills incorporating ICT, e-business and so-called “soft” skills.

## 9) Demographic developments: change of working age population and composition by age groups

Demographic trends predict that the composition of the workforce will change. There will be a decrease of younger workers contrasting with a growth in ageing workers.

Country or area	2000			2050			Annual population growth (%) in selected periods: 1995-2050					
	Population Share by Age Groups			Population Share by Age Groups								
	0-14	15-59	60+	0-14	15-59	60+	95-00	00-05	10-15	20-25	45-50	
World	30,0	60,0	10,0	21,0	58,0	21,1	1,35	1,23	1,09	0,92	0,47	
<b>Developed Countries</b>												
EUROPEAN UNION	Austria	16,6	62,6	20,7	11,6	47,4	41,0	0,08	-0,10	-0,27	-0,34	-0,83
	Belgium	17,3	60,6	22,1	14,2	50,3	35,5	0,22	0,09	-0,05	-0,08	-0,33
	Denmark	18,3	61,8	20,0	15,2	53,0	31,8	0,35	0,16	-0,01	-0,02	-0,30
	Finland	18,0	62,0	19,9	15,0	50,6	34,4	0,25	0,07	-0,03	-0,10	-0,39
	France	18,7	60,7	20,5	16,0	51,3	32,7	0,37	0,36	0,22	0,11	-0,16
	Germany	15,5	61,2	23,2	12,4	49,5	38,1	0,09	-0,04	-0,17	-0,24	-0,52
	Greece	15,1	61,5	23,4	13,1	46,2	40,7	0,30	0,04	-0,20	-0,34	-0,61
	Ireland	21,6	63,2	15,2	19,1	53,3	27,6	1,05	0,96	0,97	0,65	0,40
	Italy	14,3	61,7	24,1	11,5	46,2	42,3	0,08	-0,13	-0,41	-0,56	-0,98
	Luxembourg	18,7	62,0	19,4	17,7	57,1	25,2	1,28	1,20	1,09	1,05	0,79
	Netherlands	18,3	63,4	18,3	14,7	52,5	32,8	0,52	0,35	0,13	0,08	-0,29
	Portugal	16,7	62,5	20,8	14,4	49,9	35,7	0,20	0,13	-0,10	-0,22	-0,50
	Spain	14,7	63,5	21,8	11,4	44,5	44,1	0,09	-0,02	-0,28	-0,46	-0,95
	Sweden	18,2	59,4	22,4	14,0	48,3	37,7	0,03	-0,13	-0,18	-0,12	-0,37
	United Kingdom	19,0	60,4	20,6	15,0	51,1	34,0	0,27	0,18	0,10	0,10	-0,25
<i>EU-15 Average</i>	17,4	61,8	20,8	14,3	50,1	35,6	0,35	0,21	0,05	-0,03	-0,35	
<i>Others</i>												
Canada	19,1	64,2	16,7	16,3	53,2	30,5	0,93	0,80	0,71	0,62	0,30	
Japan	14,7	62,1	3,2	12,5	45,2	42,3	0,26	0,14	-0,11	-0,35	-0,59	
USA	21,7	62,1	16,1	18,5	54,6	26,9	1,05	0,89	0,81	0,74	0,47	
<i>Others' Average</i>	18,5	62,8	18,7	15,8	51,0	33,2	0,75	0,61	0,47	0,34	0,06	

Source: UN Population Division, 2002, Source: UN Population Division, 2002 in World Annual World Bank Conference on Development Economics, 2002<sup>42</sup>

While one out of every 10 people in the world is older than 60 years today, this ratio is projected to increase to one out of 5 by 2050 and to 1 out of 3 by 2150 (Annual World Bank Conference on Development Economics, 2002). If such predictions hold true, then over the next few decades the labour force will not only become more divergent but the age profiles of populations will show greater variation due to the differential speed of population ageing between developed and developing countries

<sup>42</sup> There may be slight differences between EUROSTAT and UN data.

## 10) Levels of geographical mobility

The increase in geographical mobility is minute, growing from 1.45% in 1998 to 1.50% in 2001. Therefore European workers remain remarkably static.

<b>% of employed people (15-46 yrs) that moved in 1 year from another region within the Member State or from another Member State</b>						
	<b>All 15-64 yrs.</b>		<b>Men</b>		<b>Women</b>	
	<b>1998</b>	<b>2001</b>	<b>1998</b>	<b>2001</b>	<b>1998</b>	<b>2001</b>
<b>AT</b>	5.46	:	5.24	6.06	5.74	5.79
<b>BE</b>	1.22	1.08	1.14	0.74	1.34	1.89
<b>DE</b>	1.25	1.45	1.27	1.50	1.23	1.38
<b>DK</b>	0.43	0.40	0.49	0.26	0.38	0.60
<b>EL</b>	0.58	0.24	0.62	0.27	0.39	0.20
<b>ES</b>	0.18	0.48	0.18	0.50	0.20	0.44
<b>FI</b>	1.48	1.35	1.69	1.26	1.25	1.45
<b>FR</b>	1.77	2.03	1.86	2.15	1.59	1.88
<b>IE</b>	:	:	:	:	:	:
<b>IT</b>	1.78	0.71	1.86	0.83	1.64	0.50
<b>LU</b>	1.18	0.90	1.03	1.04	1.43	0.70
<b>NL</b>	2.01	:	1.79	:	2.30	:
<b>PT</b>	1.29	1.35	1.31	1.36	1.25	1.33
<b>SE</b>	1.03	2.15	1.04	2.21	1.03	2.08
<b>UK</b>	:	2.36	:	2.40	:	2.32
<b>EU-15</b>	<b>1.45</b>	<b>1.50</b>	<b>1.46</b>	<b>1.51</b>	<b>1.43</b>	<b>1.47</b>

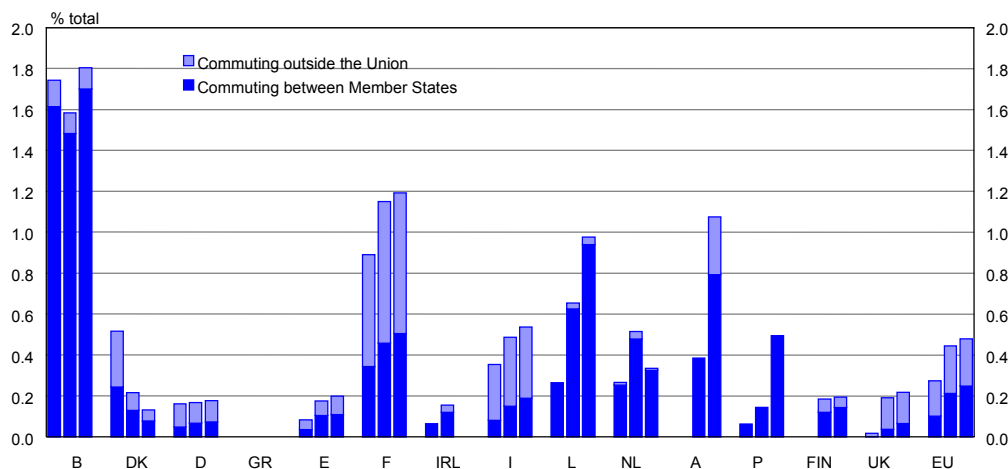
Source: Eurostat, Labour Force Survey, spring data

## 11) Commuting mobility

While most Europeans are non-geographically mobile (0.1% changed their official residence between two European countries in 2000, (LSF, Eurostat)) they do enter into more flexible forms of employment mobility, such as cross-border commuting in frontier zones, long-distance commuting and temporary migration. Commuting between Member States and outside the Union has been predominantly on the increase since 1996. Most of this increase can be attributed to commuting between EU Member States rather than between the Union and the surrounding countries (this is relating to 14 Member States, excluding Sweden). (Comm, DG Employment and Social Affairs (EMPL), 2002). Belgium, Luxembourg, and Austria have large scale commuting activities between other Member States with the majority of commuters being male.

Neighbouring countries and geography are factors, which are generally considered to determine the feasibility of commuting. This is particularly evident in Belgium where just fewer than 2% of employed residents in 2000 worked in another country, the vast majority of which was in another part of the Union, e.g. France, Luxembourg. In France slightly over 1% worked outside the Union, in Switzerland. In Finland and the UK commuting activity is on a very small scale in comparison mainly due to its geographical location. Contrary to such factors promoting or preventing commuting, the Netherlands and Germany have a similar geographical location to that of Belgium and France, yet their commuting activity is relatively low. This suggests that there are some differences in attitudes towards commuting to work in other countries (Comm, DG Empl, 2002)

Proportion of employed commuting abroad, 1992, 1996 and 2000



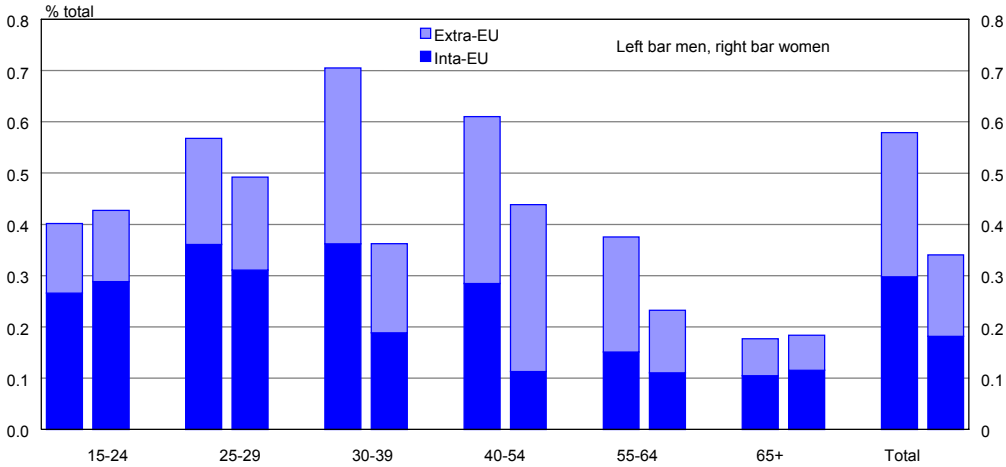
Mobility and Migration Update, 2001/0082, Employment and Social Affairs DG, Unit A1, 2002 (Studies Management and Research Tool (SMART))

Unlike in the case of immigration, where there is a large concentration of young immigrants, those in work who are likely to be involved in international commuting on average tend to be in their 30s and 40s rather than their 20s. This is especially evident among males; 0.7% of men aged 30-39 in employment in the Union commuted to work across national borders and 0.6% of those aged 40-54, as opposed to 0.4% of those under 25 and a slightly lower proportion of those 55 and older.

On average, approximately ½% of those in employment in the EU commuted to work in another country in 2000, around half of these commuters travelled to another Member State

and half to a country outside the Union, most of them to Switzerland. (Comm, DG Empl, 2002).

**Men and women by age group commuting intra-EU and extra-EU in the Union, 1999/2000**



Extra-EU = commuting outside the Union

Intra-EU = commuting inside the Union.

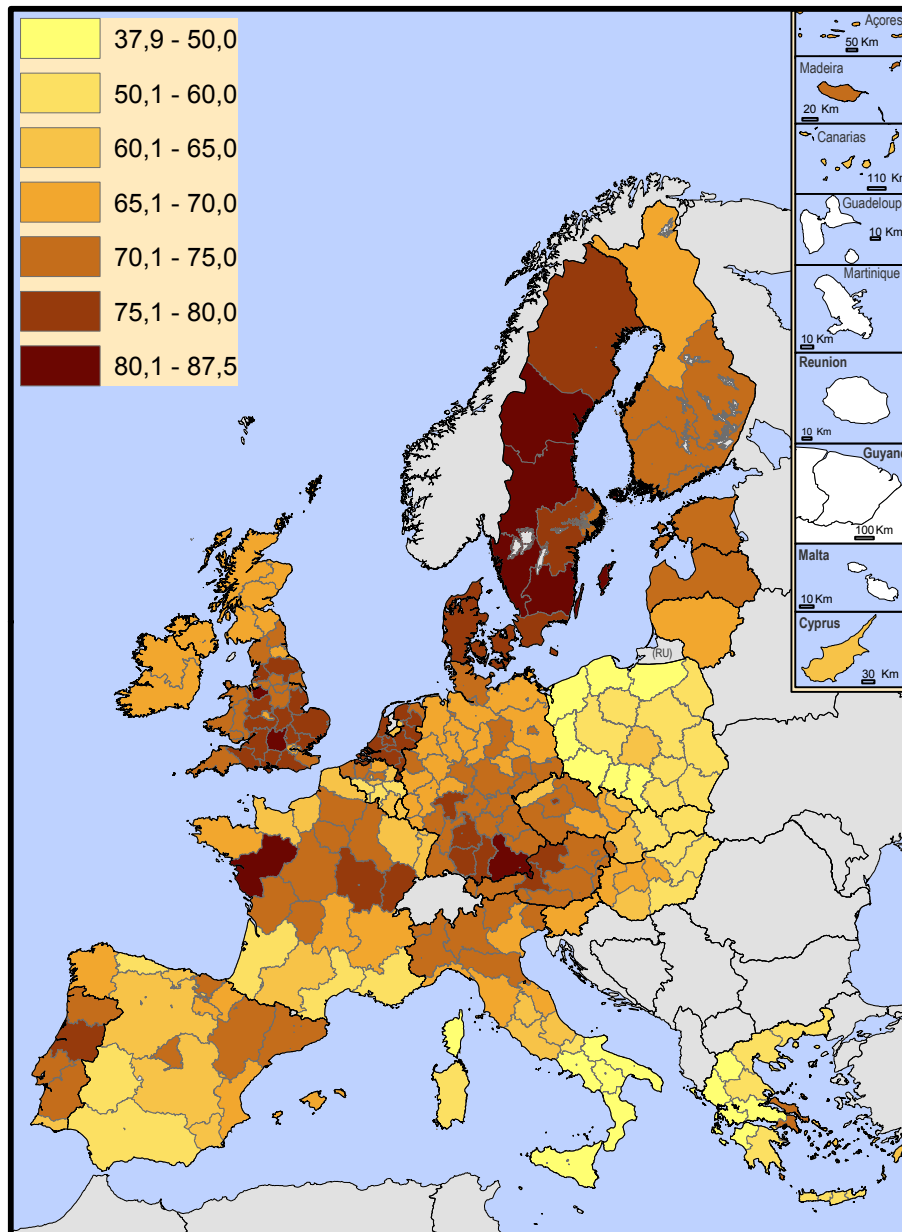
Mobility and Migration Update, 2001/0082, Employment and Social Affairs DG, Unit A1, 2002 (Studies Management and Research Tool (SMART))

## **12) High employment regions and skills needs in EU 25**

The following maps (based on scenarios of annual employment growth of 1% or 1,5% starting from 2003) indicate which regions are expected to have the highest employment rates up to 2010, and therefore likely to face the largest deficits of skilled labour: for example south of UK, Denmark, Sweden, Netherlands, central France, southern Germany, western Austria and the centre of Portugal.

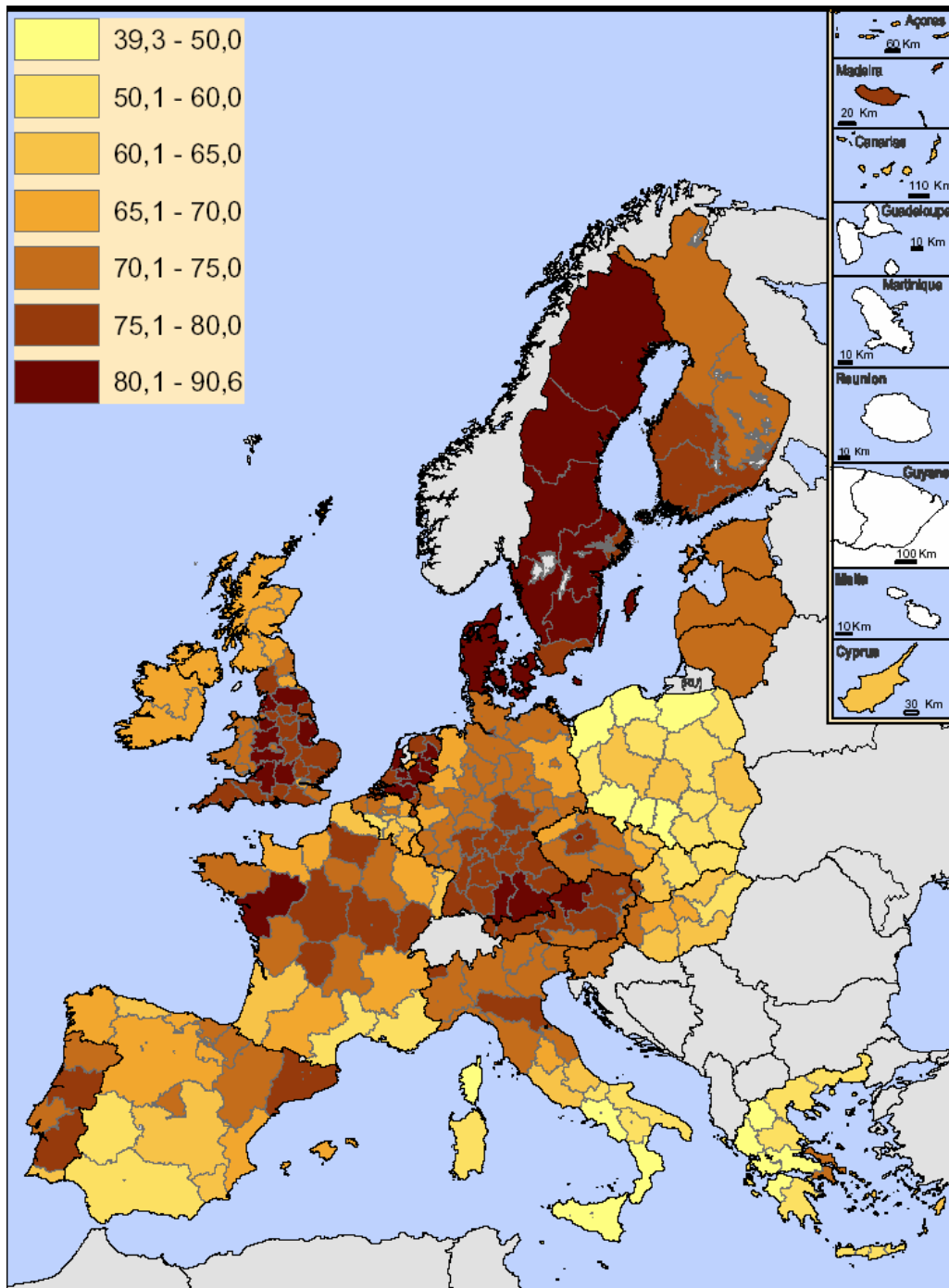


## Employment rate in 2010 with 1 % annual growth of employment\*



Source : Eurostat LFS and 2000 Demographic Projections (Baseline scenario)  
 Demographic projections for CY, EE, LV, LT, SI : UN World Population Prospects, 2002 Revision (Medium Variant).  
 Regional demographic projections for CZ, HU, PL, SK : Commission services.  
 \* Employment in all regions starting from LFS Spring 2003, except B, D, L and A starting from LFS Spring 2002.  
 All at Nuts 2 level, except at Nuts1 : Berlin DE3, Sachsen DED, London UKI, Wales UKL, Scotland UKM  
 Cornwall, Isle of Scilly UKK3 and Devon UKK4 are aggregated.

**Employment rate in 2010 with 1.5 % annual growth of employment  
Starting from year 2003\***



Source : Eurostat LFS and 2000 Demographic Projections (Baseline scenario)  
 Demographic projections for CY, EE, LV, LT, SI : UN World Population Prospects, 2002 Revision (Medium Variant).  
 Regional demographic projections for CZ, HU, PL, SK : Commission services.  
 \* Employment in all regions starting from LFS Spring 2003, except B, D, L and A starting from LFS Spring 2002.  
 All at Nuts 2 level, except at Nuts1 : Berlin DE3, Sachsen DED, London UKI, Wales UKL, Scotland UKM  
 Cornwall, Isle of Scilly UKK3 and Devon UKK4 are aggregated.

### 13) Foreign language learning

The objective of promoting the learning of languages in addition to the mother tongue has been long pursued by the Community (Comm, EAC, 2003) . Knowledge of languages is denoted as one of the main competencies that the knowledge-based society of Europe needs.

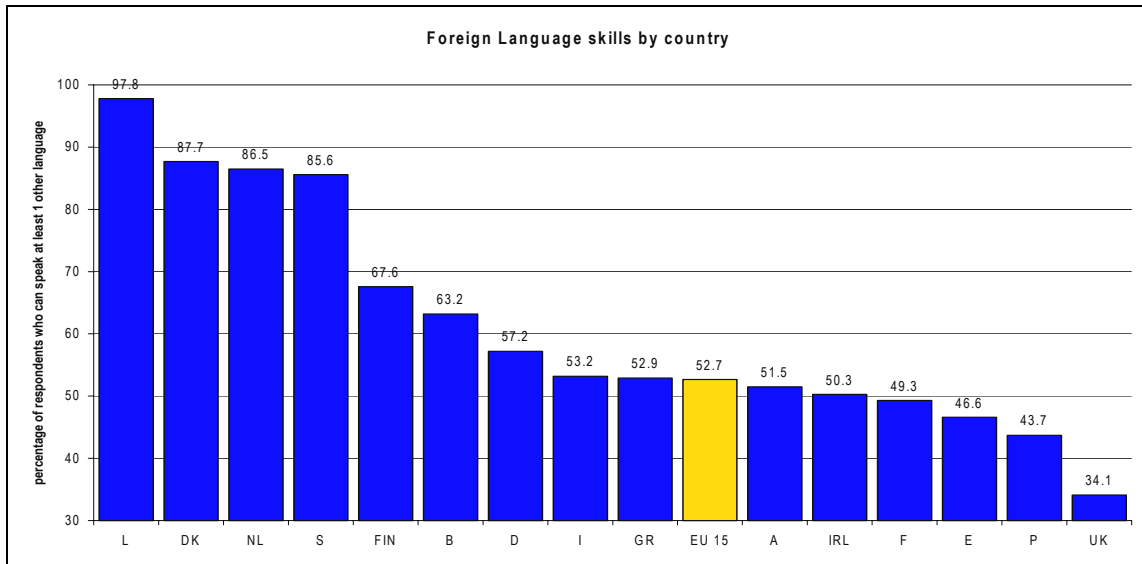
There are different levels of language attainment between age groups. More people in the 15 - 24 age group have foreign language skills than in the 25 - 39 age group, who in turn are better at foreign languages than those in the 40 - 54 age group. 67% of managers have foreign language skills compared to 17% of retired people and 27% of homemakers (Eurydice/Eurostat).

	Total % who speak as Mother tongue or foreign language	% who speak as mother tongue	% who speak as foreign language
English EN	56.4	15.9	40.5
Français FR	35.2	16.0	19.2
Deutsch D	33.6	23.3	10.3
Italiano I	19.0	16.0	3
Español ES	17.1	10.5	6.6
Nederlands NL	6.5	5.5	1
Elinika GR	3.4	2.9	0.5
Português PO	3.3	2.8	0.5
Svenska SV	3.3	2.3	1
Dansk DK	1.9	1.5	0.4
Suomi FIN	1.5	1.4	0.1
Gaeilge/ Irish	0.6	0.2	0.4
Lëtzebuergesch L	0.2	0.1	0.1

Eurobarometer 54 'Europeans and Languages' 2001

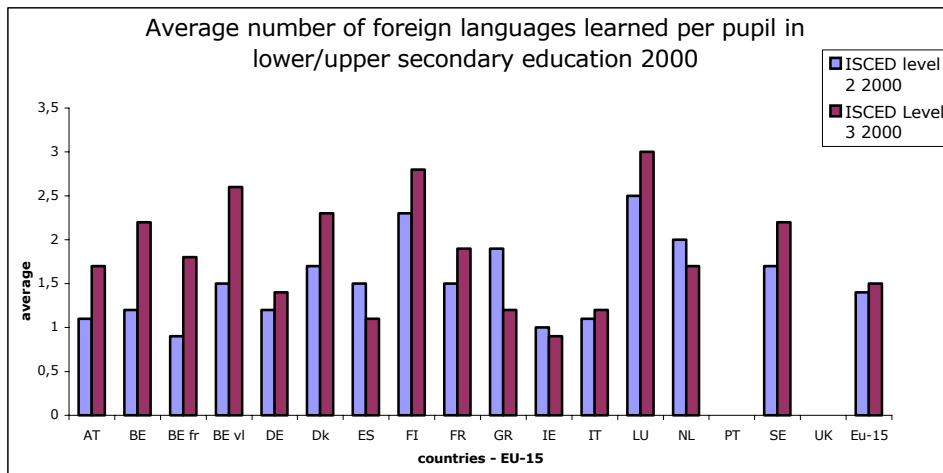
As regards the range of languages spoken by Europeans : 41 % speak English as a foreign language; 19 % speak French, 10 % speak German, 7 % speak Spanish and 3 % speak Italian. No other language achieves even 1% (Comm, EAC, 2003).

There are also geographical differences in levels of attainment, for example 66% of people in the United Kingdom can only speak one language, compared to only 13% of Danes, Swedes and Dutch people with an EU average of 47%.



(Comm, EAC,2003) ( Eurobarometer 54 'Europeans and Languages' 2001)

On average 42% of primary pupils and 90% of upper and lower secondary school students learn English. English is a compulsory subject in seven (plus UK and Ireland) of the 15 Member States. As a second language French is predominantly chosen by European countries (3% of primary pupils and 24% secondary students learn French), whereas German is a popular language for acceding countries (12% of primary pupils and 30% of secondary students learn German) (Comm, EAC, 2003).



Source: Eurostat- Education statistics.

**Notes:**

Irish, Letzeburgesch and regional languages are excluded, although provision may be made in certain Member States.

Greece: Data refer to year 1999

Finland: The national language taught in schools where it is not the teaching language is counted as a foreign language

Sweden: At ISCED 3, data refer only to graduates in year 2000

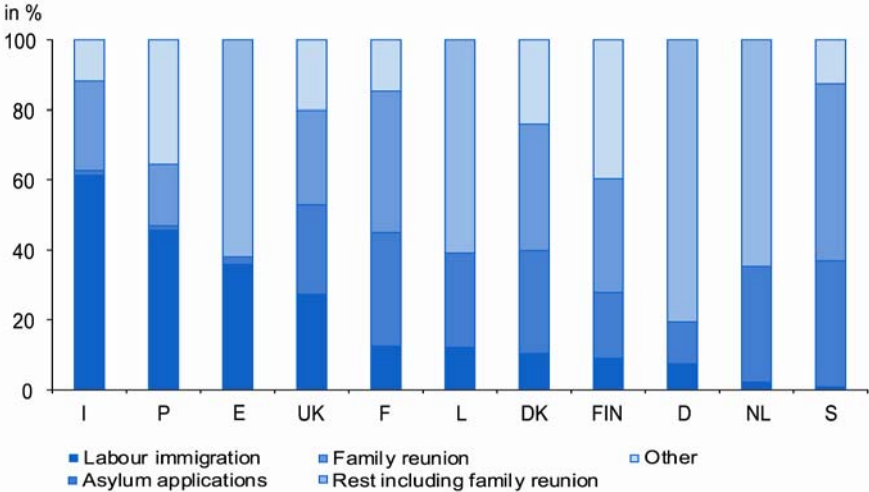
United Kingdom: All pupils at secondary education level in England, Wales and Northern Ireland learn at least one foreign language, but there is no data on the number of pupils who learn more than one.

**14) Migration**

In northern Europe family reunions topped the list of explanations for reason of immigration, with 50% in Sweden, 40% France, 36% Denmark, 33% Finland, 27% UK. In contrast labour immigration was the prominent reason for immigration in southern European countries. 61% of cases in Italy stated that employment was the reason for legal entry, 46% Portugal, 30% Spain (Employment in Europe, 2003).

**Immigration of third-country citizens**

**Chart 135- Immigration from third countries by reason for entering 2000**

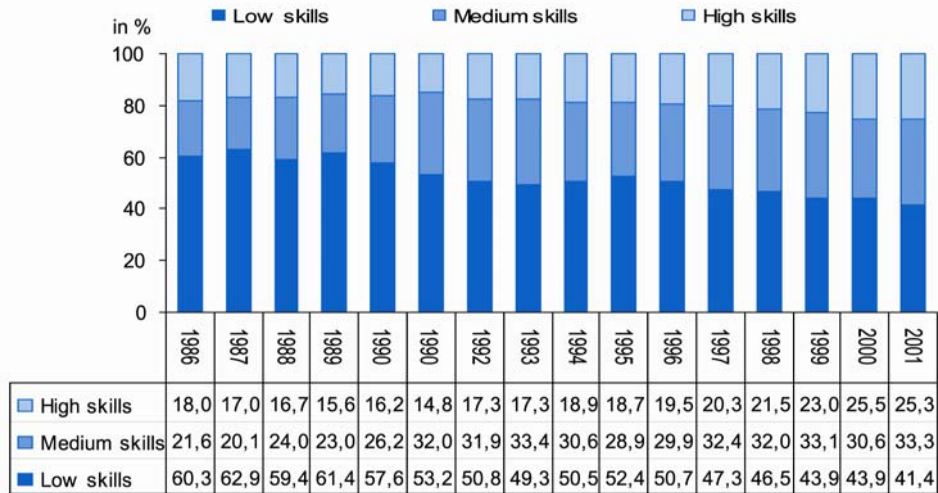


Source: OECD SOPEMI 2002, Part III; Eurostat for the number of asylum applications  
 Notes: labour immigration refers to the number of work permits granted. For Finland these include temporary and fixed term worker schemes. For France and Sweden these include permits given to EEA citizens. Asylum applications give the total number of applications, this may leave a number of family members unaccounted for. The number of granted asylum requests generally is far lower than the number of applications. For France, Italy, Luxembourg and Spain these are for 1999

Immigration can attract highly skilled third county nationals who assist in promoting more sustainable economic expansion. There is a consistent increase in the share of skilled workers entering Europe, with a parallel decrease of 19 percentage points in the share of low skilled entrants.

## EU: skills composition of non-EU national, by year arrival.

**Chart 139- EU: skills composition of non-EU national, by year arrival**



Source: Eurostat, LFS, spring results