



**CEDEFOP**

European Centre for the Development  
of Vocational Training



# What skills will Europe need and have in 2020?

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# Skills and the economic crisis

## The crisis reinforces the need to:

- provide people with the right skills and competences throughout working life
- be better prepared for economic growth and innovation through better anticipation and matching of skill demand and supply



**Thinking beyond recovery is paramount**



# What forecasts...

## can provide?

- systematic analysis of the implications of continuation of past/current trends and patterns of behaviour
- different scenarios based on alternative assumptions
- basis for intelligent and informed debate and further research

## cannot provide?

- precise predictions that can be used for detailed manpower planning (not a crystal ball)
- qualitative information on skills and competences

# Forecast of skill demand until 2020

- Consistent pan-European skills demand projections using existing data
- **Skills demand measured as number of jobs by sector, occupation and qualification**
- Considers replacement needs
- 3 different scenarios
- Done before the crisis

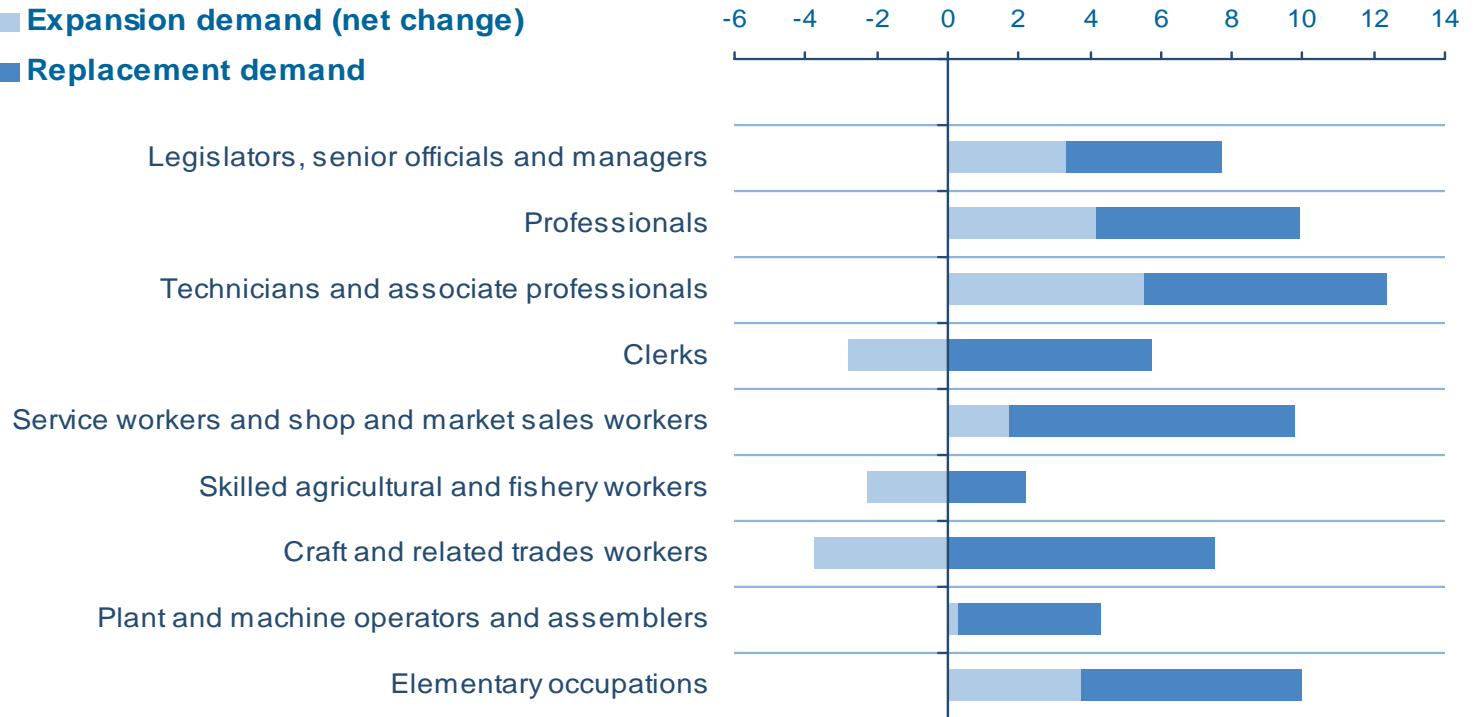


# High demand for skilled occupations – but also for elementary jobs

## Replacement needs will play important role

Change 2006-2020 in million jobs

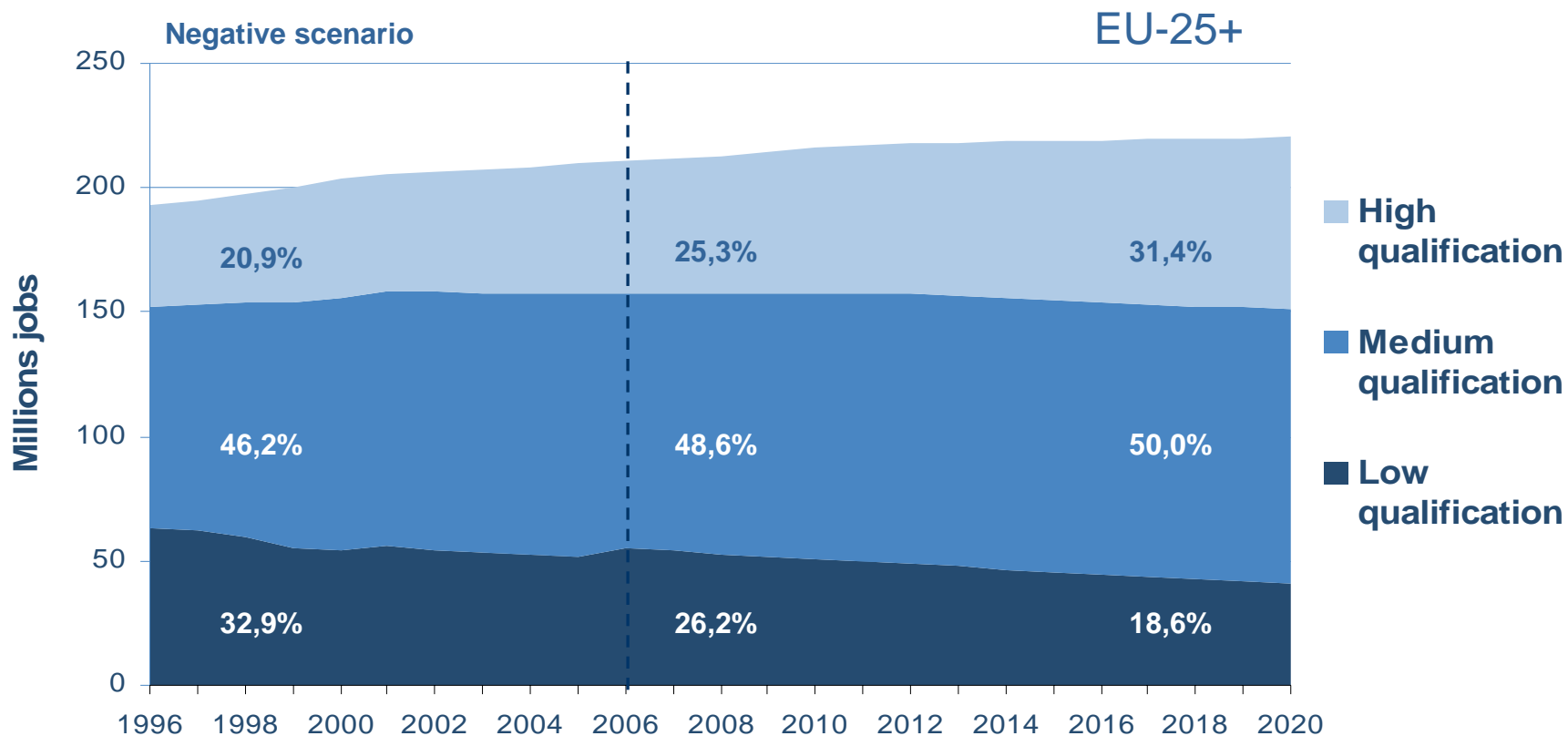
■ Expansion demand (net change)  
 ■ Replacement demand



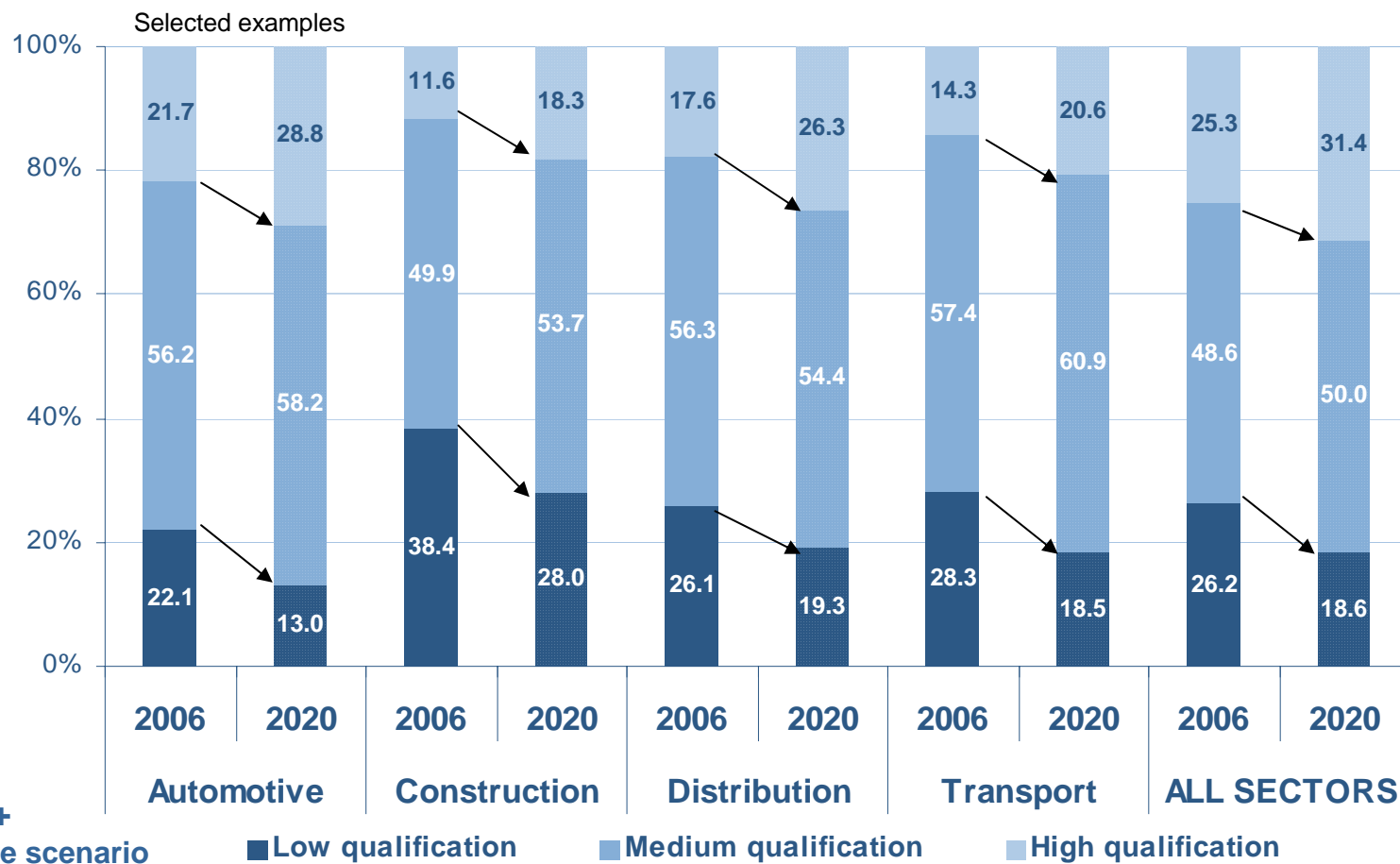
EU-25+  
 Negative scenario

# More high and medium qualified jobs in future

Employment trends, 1996-2020, by qualification



# Changing shares of qualification needs in sectors



EU-25+

Negative scenario

# Forecast of skill supply until 2020

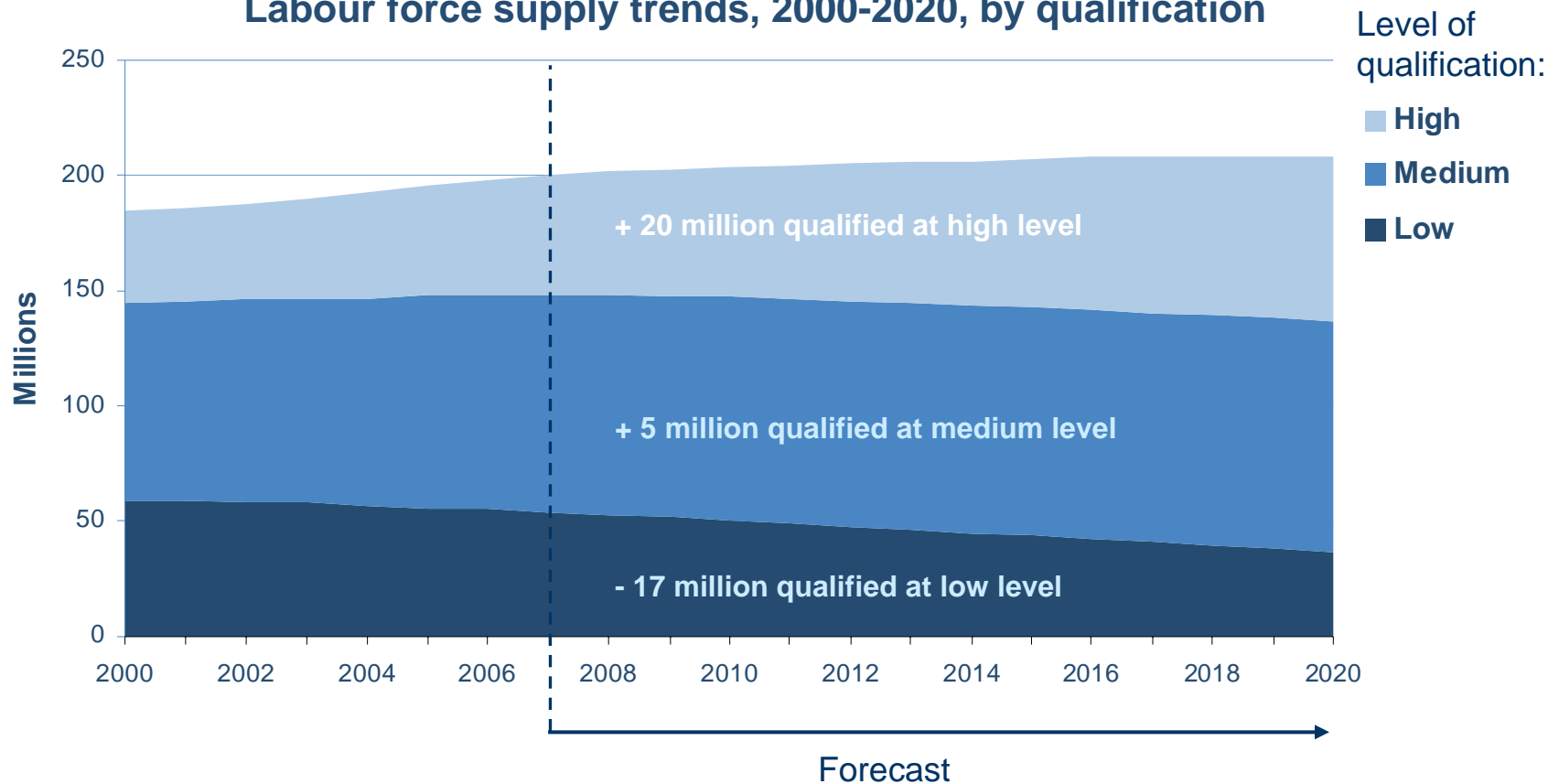
- Consistent pan-European skills supply projections using existing data
- **Skills supply measured as qualifications of population and labour force**
- Considers demographic change and scenarios
- Compatible (but not yet comparable) with previous projections of skills demand





# Medium-skilled workers remain basis of European economy

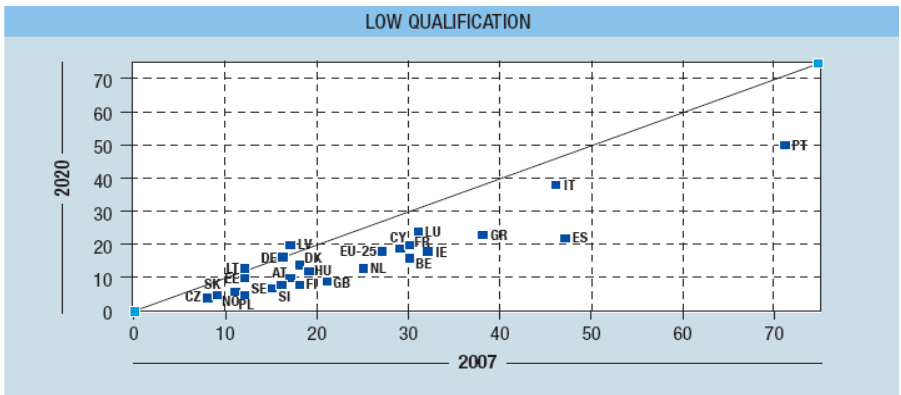
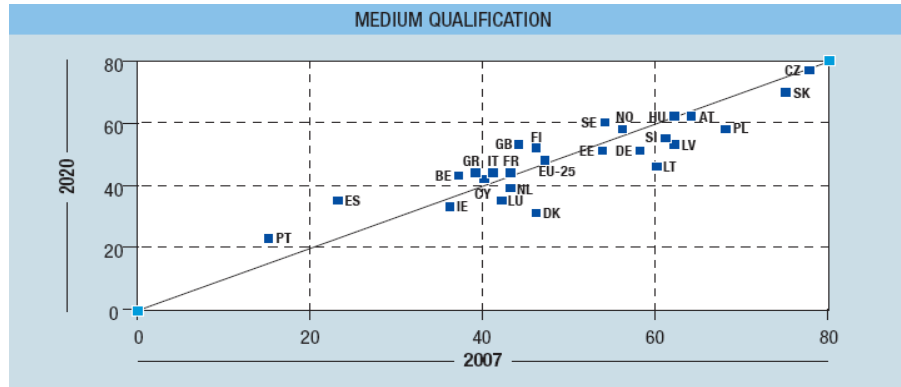
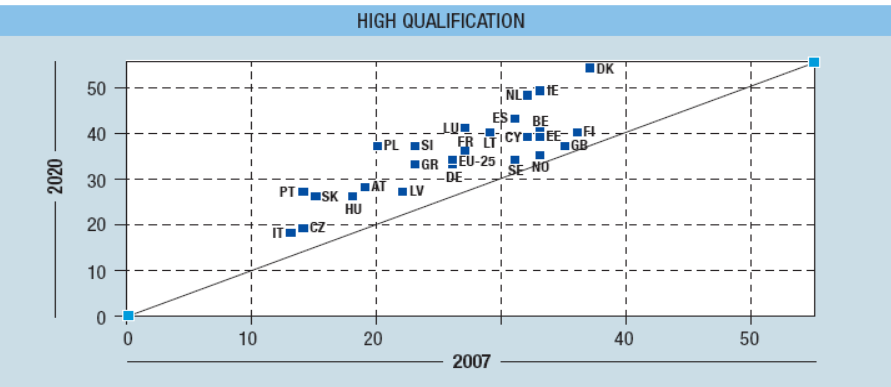
Labour force supply trends, 2000-2020, by qualification



NB: Labour force aged 25 and more. EU-25 without Malta, plus Norway

# Many common trends across countries

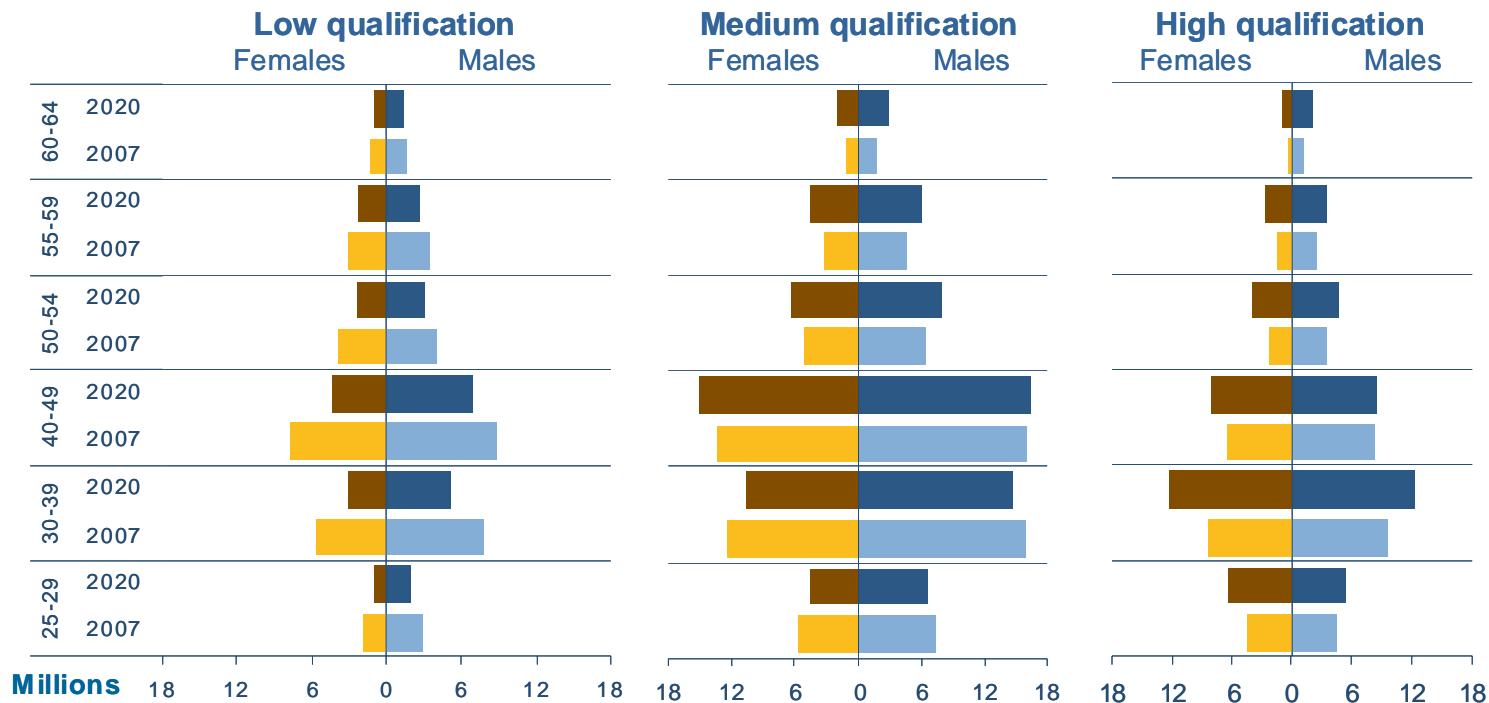
## Changing qualification structure of the labour force in countries, 2007 and 2020



NB: Labour force aged 25 and more. EU-25 without Malta, plus Norway

# Younger women's surpassing men's

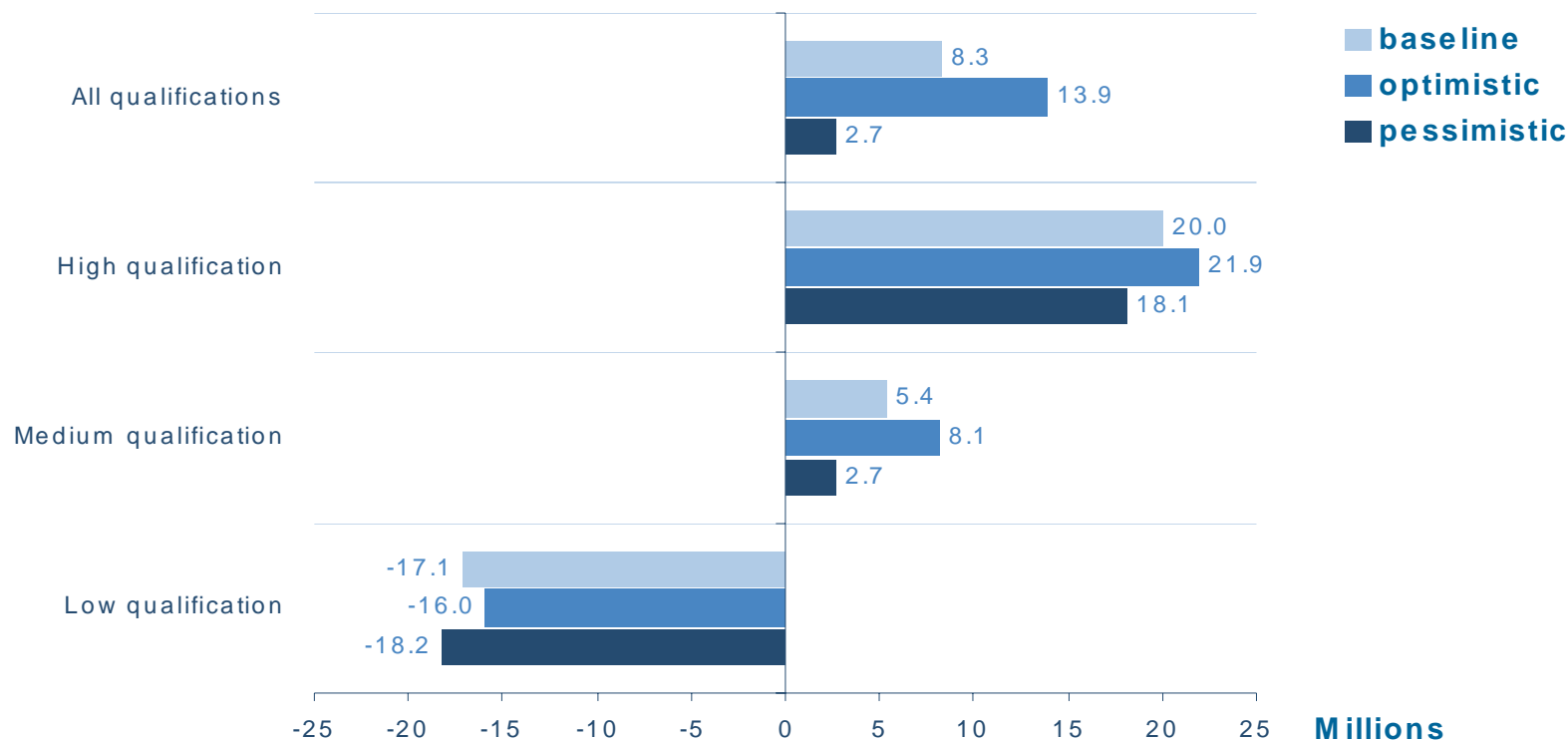
## Labour force supply, 2007 and 2020, by age, gender and qualification



NB: Labour force aged 25 and more. EU-25 without Malta, plus Norway

# Should we be more pessimistic?

Scenarios for labour force supply by qualification, change 2007-2020



NB: Labour force aged 25 and more. EU-25 without Malta, plus Norway

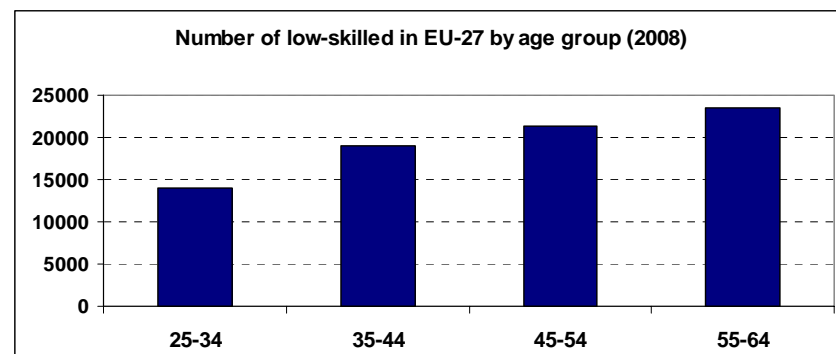
# On the right track...

- Europe is on track to raise its qualifications profile
  - ⇒ more Europeans acquiring high and medium qualifications
  - ⇒ fewer low-qualified Europeans
- Younger cohorts: the best qualified ever
- Rising supply parallels rising demand

## **BUT no room for complacency:**

- Can trends be maintained?
- Will demand grow at the same pace and provide good quality jobs for all?
- What about the actual skills and their match with the labour market needs?

# Some more figures to consider...



- **77 millions low-skilled** in Europe (in 2008)
- more than 30% of Europeans are seniors (65+) and „**median age**“ is **39 years** (2009)
- only less than **10% of adults participate in LLL**
- **4 million vacancies not filled** in 2008 due to mismatch (although 18 million unemployed)

# Skill mismatch in Europe

- pervasive phenomenon
  - only 21% of workers hold jobs fitting their education, training and skills
  - 11% wage penalty
  - stringent employment protection legislation and regulations/institutions do not help
- ⇒ *improve understanding of skill mismatch processes, dynamics and consequences*

# What can we do about it?

**The goal:** to secure the right skills for future jobs

**The means:** better integrate learning and working by

- *developing and using common language (learning outcomes approach)*
- *recognising and valuing learning and experience*
- *informing, advising and supporting people in decisions*
- *cooperating with guidance and counselling services*
- *more flexible learning paths,...*

with active partnership of all stakeholders



## Contact details for more information

**Cedefop:** [www.cedefop.europa.eu](http://www.cedefop.europa.eu)

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