

SMEUnited position paper on the European Skills Agenda for sustainable competitiveness, social fairness and resilience

SMEUnited welcomes the Communication of the European Commission on the European Skills Agenda, a highly relevant topic for Crafts and SMEs in Europe. They continue facing skills shortages and mismatches, in times where the digital and green transition has been accelerated by the COVID-19 crisis.

Executive summary: key messages

- SMEUnited welcomes the updated Skills Agenda addressing current and future skills mismatches affecting in particular Crafts and SMEs;
- SMEUnited values the objective to strengthen skills intelligence especially at regional and local level, however highlights that big data analysis is not appropriate nor sufficient to capture the skills needs of Crafts and SMEs;
- SMEUnited especially appreciates the Recommendation on VET, due to its key role for Crafts and SMEs productivity and competitiveness;
- Individual Learning Accounts should be considered only as a tool among others, and other approaches based on shared responsibility should be fully respected;
- The adoption of a clear definition of 'micro-credentials' is the first step prior to assessing the need for any policy intervention;
- European Social Partners should be involved in the governance of Europass in view of its future role for education and training orientation;
- SMEUnited welcomes the adoption of the Recovery and Resilience Facility unlocking EU funding supporting Member States for structural reforms in education and vocational training;
- SMEUnited calls for more investments to develop digital learning infrastructure.

1. General remarks

SMEUnited fully shares the view that there is a momentum for increasing investment in people's skills by using all the tools and funds available. SMEUnited particularly supports the European Commission in their Skills for jobs approach, a key element to make education and training programmes more relevant for the labour market and close the gap between education and employment.

SMEUnited is pleased that the Commission recognises the key role played by Crafts and SMEs in VET and apprenticeship. SMEs still report difficulties to recruit skilled staff adapted to their needs. VET and apprenticeship at all levels are the best tools to tackle the skills mismatches.

SMEUnited agrees with the analysis and the objectives presented by the Commission in the Skills Agenda for sustainable competitiveness, social fairness and resilience. Crafts and SMEs need adequate qualified staff for long-term growth, productivity and innovation to ensure their competitiveness while implementing the green and digital transition. Up-skilling and re-skilling of current staff or unemployed people gives more opportunities to European workforce to be future-proof and ensure further employability. SMEUnited endorses the objective to build resilience based on the lessons learned from the COVID crisis. Being digitally ready to continue education and business activity is of particular importance for Crafts and SMEs.

SMEUnited supports the ambitious quantitative skills objectives focusing on adults set in the Agenda. They are strongly embedded into a 'life-long learning for all' mindset and will be monitored in the European Semester. SMEUnited would like to re-iterate that training on digital and green skills should be prioritised in the short and medium-term. This would allow to accelerate the twin transition and to face business disruptions in case of new public health measures are to be introduced to contain the COVID-19 pandemic.

2. Specific remarks on proposed actions

Action 1: Pact for Skills

SMEUnited takes note of the European Commission's proposal for a Pact for Skills leading to concrete partnerships between all stakeholders and especially sectoral social partners. SMEUnited supports the approach to build bridges between pre-existing EU initiatives, such as the Blueprint for Sectoral Cooperation on Skills, the reinforced European Alliance for Apprenticeships and the Digital Skills and Jobs Coalition.

SMEUnited sees the need to foster the participation of national/regional and sectoral social partners in creating strong partnerships at their level, more

targeted to the specific ecosystems and labour market, and to ensure consistency with already existing initiatives.

SMEUnited welcomes the initiative of the European Commission to focus on the recovery of most hit sectors composed of a high number of SMEs, such as health, construction or tourism. SMEUnited asks the Commission not to delay any further strategies on other industrial ecosystems that might also be penalised by the crisis even if the effects are not immediate. SMEUnited believes that the new national skills strategies need to be comprehensive and implemented in parallel.

Action 2: Strengthening Skills Intelligence

SMEUnited shares the analysis of the European Commission identifying skills intelligence as a key step to ensure that people can acquire the right skills for current and future jobs. SMEUnited believes that further work is needed on the identification of current skills needs and anticipation of future skills needs, inter alia by improving forecasting analysis and tools. This is best done at regional or sectoral level as labour market intelligence and observatories are more reliable at these levels due to their close connection with the local ecosystems and labour market specificities.

In this context, a specific attention to SMEs' skill needs is necessary. SMEUnited strongly highlights that current methodologies based on collection of data online do not adequately reflect the skills needs of Crafts and SMEs. Instead they capture high skilled jobs and skills needs of larger companies (e.g. EURES). Therefore, SMEUnited recommends to reinforce the role of skilled craft chambers and sectoral SME organisations in skills forecasting as they are best placed to identify the current and future skills required by SMEs at local level. A mapping of the skills supply and not just the skills demand would also be useful.

In addition, it is extremely important to continue working on graduate tracking. The data collected through graduate tracking and the feedback loop can then be used for quality assurance and to make education and training more responsive. Transparent and easy to access information on the results of the graduate tracking contributes to create mutual trust and transparency and this is much valued by employers.

Finally, SMEUnited insists on increasing efforts on the dissemination of skills intelligence so that it can be used by relevant stakeholders to rapidly adapt the training offer and the content of curricula and deliver tangible results.

Action 3: EU support for strategic national upskilling action

SMEUnited agrees that lifelong learning for all must become a reality in Europe. The best way to achieve this goal is to foster national skills strategies, in cooperation with social partners, chambers, and all relevant stakeholders,

especially public employment services in accordance with national systems and settings.

SMEunited asks the European Commission to ensure that especially social partners at all levels are fully involved in the process of drafting national upskilling strategies.

On the topic of a more strategic approach to legal migration, SMEunited recalls that skills-based and demand-driven economic migration is necessary for helping companies to hire people with the skills profile they need. Economic migration should be based on information and forecasts on skills needs and shortages for every sector of the economy and depending on the region. As SMEs are suffering from a lack of skilled workers for occupations at medium level, it is crucial to make the EU more attractive for medium-technically skilled workers in order to avoid further labour shortages.

Action 4: Proposal for a Council Recommendation on Vocational Education and Training for sustainable competitiveness, social fairness and resilience

SMEunited strongly supports the specific Recommendation on Vocational Education and Training which one of the best tools to better align learning outcomes and labour market needs¹.

Action 5: European Universities Initiative

SMEunited stresses the need to make tertiary education more relevant for the world of employment. Universities have a central role for research and innovation and a deeper transnational cooperation between higher education institutions, economic operators including SMEs will be essential for the twin transition.

SMEunited supports the testing of a new Talents-On-Demand knowledge exchange to meet companies' research and innovation needs. High-tech small businesses would have a keen interest to participate in it.

Crafts and SMEs need adequate skilled staff and it is key that higher education also caters to the demands of VET students and graduates for tertiary education. It is essential to intensify efforts for the development of Higher VET and to facilitate progression routes within VET and bridges between VET and higher education and vice versa. Universities should also foster more entrepreneurial skill of students. When such a skill is introduced at an early age and nurtured throughout all levels of education, it will foster the entrepreneurial mindset of young people, thereby making them better able to adapt to the changing world of work and to create new businesses.

Finally, SMEunited invites universities to co-design programmes in partnership with Crafts and SMEs (or organisations representing them). This will ensure

¹ Please find here [SMEunited position paper on the proposal for a Council Recommendation on VET](#).

that programmes better respond to the skills needs of companies. Moreover, progression pathways from VET to higher VET and higher education need to be reinforced.

Action 6: Skills to support the twin transitions

SMEUnited agrees with the identified need to create a classification of needs for the green transition, including a set of indicators to monitor and analyse developments in green skills. In particular, SMEUnited takes note of the intention of the European Commission to develop a core green skills set for the labour market to organise appropriate training in the years to come. However, SMEUnited would not be in favour of adopting a fixed taxonomy.

Concerning digital skills, SMEUnited strongly supports the acquisition of basic digital skills. Digital skills are part of the key competences and should be included in general and basic education together with literacy and numeracy. On the basis of sound and broad basic digital skills people can then develop job-specific digital skills, which differ between sectors and companies.

SMEUnited is particularly interested in 'Digital Crash Courses for SMEs and digital volunteers programme to upskill the current workforce as also announced in the EU SME Strategy. The COVID crisis showed that many Crafts and SMEs were not ready for digital commerce or teleworking. Therefore, more support needs to be offered to companies to increase their digital capacity.

The Digital Innovation Hubs should strongly contribute to upskill SMEs staff and support entrepreneurs to be more acquainted with and fully use the new digital opportunities.

Action 7: Increasing STEM graduates and fostering entrepreneurial and transversal skills

SMEUnited fully endorses this action. STEM skills are particularly in demand in general and for the green and digital transitions in particular. STEM skills are the basis for new business models and work organisation also for Crafts and SMEs.

SMEUnited agrees on the need to encourage more girls and women to choose STEM-related studies. STEM skills need to be promoted for all and at all ages, but in particular during primary and secondary school when preferences and choices are made by young people. Companies, including innovative start-ups and more traditional SMEs, can play an important role in the teaching and promotion of STEM skills, for example through apprenticeships or promotion days in schools, the identification of (technological) skills needs, or the development of STEM qualifications (e.g. in Higher VET). Effective cooperation with businesses and social partners in this field is indispensable. SMEUnited invites the Commission to encourage dissemination of best practices in this field.

SMEUnited endorses the need to foster entrepreneurial skills in general and not only for the social economy. This set of skills is key to ensure both the creation of new businesses and the transition of existing SMEs to the next generation of owners. Furthermore, when the education of entrepreneurial skills is introduced at an early age and nurtured throughout all levels of education, it will foster the entrepreneurial mindset of young people, thereby making them better able to adapt to the changing world of work. SMEUnited reiterates its support to programmes for entrepreneurial skills activities such as the European mobility for entrepreneurs and for systematic use of EntreComp, the European Entrepreneurship Competence Framework.

Finally, SMEUnited fully supports the need to foster transversal skills. Work-based learning is particularly useful to develop these skills, therefore SMEUnited underlines the crucial role played by VET and apprenticeship. SMEs and Crafts offer opportunities to young people to develop transversal skills that will improve their performance on the job market such as team work, creative thinking, problem solving or customer relations.

Action 8: Skills for life

SMEUnited strongly supports life-long learning. A new culture of lifelong learning and continuous training is particularly important in light of the digital transformation, demographic change and the adaptation to rapid labour market changes. Fostering continuous training, in particular on-the-job training, is one of the best ways to ensure that the labour force is equipped with the right skills at the right time for newly emerging tasks.

Lifelong learning and continuous training will help employers to more easily recruit a skilled workforce and at the same time ensure workers' employability and career development. Entrepreneurs themselves also need sufficient and targeted opportunities for continuous training. As such, this will contribute to anticipate changes in the world of work and avoid costly skills mismatches and shortages. Training and, in particular, reskilling and upskilling can help alleviate qualitative labour shortages. SMEUnited recommends to continue monitoring the implementation of the Council Recommendation on Upskilling Pathways. Moreover, SMEUnited asks that training strategies at EU, national and regional level pursue the objective of promoting continuous training and lifelong learning.

SMEUnited invites the European Commission to improve targeted provision of information to SME employers and workers regarding training opportunities. Guidance and counselling on continuous training also need to be reinforced at regional and local level, together with further development of continuous training and Higher VET offers in line with employers' and workers' needs. In addition, new services such as 'help desks' or other information and support points for continuous training should be developed, for example via digital platforms.

Finally, SMEUnited invites the European Commission to explore new ways of strengthening individual responsibility for life-long learning.

Action 9: Initiative on Individual Learning Accounts

SMEUnited stresses that Individual Learning Accounts (ILA) are only one tool among many for investing in continuous training. Moreover, individual learning accounts can only be effective if there is an enabling environment in place, e.g. quality assurance, validation, career guidance, tackling motivation, etc. Various approaches or tools should be considered and social partners should be actively involved to ensure a bottom-up approach.

The current perspective on ILAs seems to focus primarily on an entitlement approach, whereas we consider it necessary to also explore other perspectives. In addition, it would be interesting to investigate ILAs with a view to organising the shared responsibility between individuals, employers and public authorities (e.g. co-investment, co-funding, etc..).

Any European initiative in the field should recognise that upskilling and reskilling can be achieved in different ways and individual learning accounts should not be imposed as the only valuable solution for all Member States. Ensuring lifelong learning is a shared challenge within the European Union and exchange of practices and lessons learned in this policy field would largely contribute to upward convergence among Member States.

In addition, the cost-sharing responsibility remains an important funding approach as it leads to a win-win situation for all parties involved. Depending on the individual situation, the responsibilities are shared between the employers, the worker or the individual and the public authorities. When the person is unemployed, however, the responsibility lies with the public employment services.

SMEUnited also appreciates that in the future initiative to be taken by the European Commission, a specific attention is dedicated to SMEs and that every potential new instrument is fit for all SMEs.

Action 10: An European approach to micro-credentials

Currently there is no clear definition of 'micro-credentials' that would allow any further debate on policy actions. We invite the European Commission to further work with the relevant stakeholders to establish a common and shared definition of micro-credentials, based on a solid impact assessment that could inform any substantial policy on this issue. In any case, the perspective of SMEs should be taken into consideration whilst elaborating an European approach to micro-credentials.

Action 11: New Europass platform

SMEUnited welcomes the efforts of the European Commission to update the Europass platform and to make it more useful for end users and potential

employers. In particular, SMEUnited appreciates the possibility offered by the platform to support people effectively communicate their skills and qualifications and to proactively guide them for a job or learning opportunity. SMEUnited strongly insists on the need to increase the number of career advisers to support young people to use this tool in a meaningful way.

SMEUnited particularly appreciates the link between the Europass platform and skills intelligence. However, we are concerned about the lack of transparency of algorithms behind the offers for learning, as for example, there are no offers proposing VET pathways.

SMEUnited invites the Commission to make this tool well adapted for Crafts and SMEs employers. We strongly recommend to shift towards a shared governance by involving European Social Partners in the governance of the tool taking into account the increased role of Europass in the future.

Action 12: improving the enabling framework to unlock Member States and private investments.

SMEUnited welcomes the European Commission initiative to unlock the potential of enhanced EU funds for skills, be it through notably the future MFF but even more NextGenerationEU. Small businesses need support for upskilling or reskilling, acquiring digital and green skills in order to adapt to and anticipate the rapid changes on the labour market.

Specific challenges for SMEs include burdensome procedures for accessing external funds that can be complex and time-consuming. SMEs often need support as access to information can be complex. When it comes to private investments or enabling frameworks in Member States, SMEUnited asks that social partners at national/regional/local level are involved in the debate and in the design of the financial strategies. Exchange of best practices among Member States on innovative financial tools are also welcome. Costs of continuous training should be considered as real investments and should include the aspect of return on investments for employers.

SMEUnited also welcomes the ambitious quantitative targets proposed by the Commission on adult learning to be monitored in the European Semester. However such targets should also include a qualitative approach of skills delivered to ensure that such investments are really serving the needs of the European labour market and the society. The reminder of the learning mobility target for VET learners from 6 to 8% is essential to promote the image and attractiveness of VET despite the obstacles related to the COVID-19 crisis.

SMEUnited appreciates the efforts deployed by the European Commission to provide direct subsidies for apprentices in SMEs to stabilise and increase the supply of apprenticeships in this very difficult period marked by the outbreak of the COVID-19 and its profound negative impact on SMEs and on the European economy in general.

Finally, SMEUnited welcomes the adoption of the Recovery and Resilience Facility unlocking EU funding supporting Member States in education and vocational education structural reforms. Digital learning infrastructure should be improved in all countries to allow an increased use of digital tools in education and we underlined the need to invest in this area.

CONCLUSION

Working together is the only way forward with a major involvement of social partners and Crafts and SME organisations for defining and putting in place the right skills policy which align education and training learning outcomes with the labour market needs. This should be supported by a good use of the European funding offered by the NextGenerationEU.

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