

The Pact for Skills

Skills Partnership for the Automotive Ecosystem

10 November 2020

The challenge

The European auto industry is going through an unprecedented transformation because of the short-term impact of the COVID crisis, as well as the long-term shift towards zero-emission and digital mobility, as well as the goal of achieving carbon neutrality by 2050. This transition is already significantly impacting the lives of the ca 15 million Europeans currently employed in the automotive value chain. The whole European automotive ecosystem – from small SMEs to big manufacturers, from suppliers and dealers up to maintenance and repair workshops – is facing disruption.

This transition and the foreseen structural change will impact the workforce, with jobs being endangered in the short to medium-term. At the same time, the entire automotive chain is struggling to attract and recruit qualified people for new and emerging jobs. To remain competitive and to meet its economic and social responsibilities, the industry needs to invest significantly in the up/re-skilling of its workforce.

The ambition

The aim is to put in place an up-/re-skilling framework which maximises industry competitiveness, job retention and new job opportunities – paving the way to a skills partnership for the whole automotive ecosystemⁱ. It will present a roadmap towards the transformation of skills, while also contributing to post-COVID recovery. It further broadens the outcomes of [DRIVES](#) (blueprint project), which will provide a key input to the work of the Skills Partnershipⁱⁱ.

The partnership also builds on inclusivity and openness for all relevant stakeholders, initiatives or projects (e.g., [ALBATTIS](#) blueprint project) to jointly cooperate under one European umbrella.

The ambition of the partnership is to enable the up-/re-skilling of 5% of the workforce each year to tackle the industrial transition in the automotive ecosystem.

The proposal

In order to reach this target, the partners jointly commit to:

- Establish a skills partnership for the automotive ecosystem;
- Update intelligence about the ecosystem and its development, resulting in data on skills needs and guidance to education providers;
- Set up an EU-wide framework for skills and job roles building on the DRIVES outcomes; share experience and best practices;
- Provide financial or non-financial contributions (depending on the nature of the entities) to the trainings realised under the Framework, connected to the established support schemes for individual projects in the respective regions or member states.

The following will be implemented:

- Analyses and definition of skills needs (industry is committed to share its perspective and strategy)ⁱⁱⁱ;
- Streamlining of the workforce planning, including employee skills assessment (industry and

- regional/national authorities will cooperate together)^{iv};
- Relevant trainings and education courses for all kinds of backgrounds and levels of education^v;
- Assessment of the outcomes of the trainings to improve the quality of the system (a joint exercise of all stakeholders involved)^{vi}.

The commitment and key performance indicators

The partnership will ensure:

- Sustainable sectoral cooperation based on the commitment of all stakeholders involved;
- Systematic EU-wide recognition of skills and knowledge;
- EU-wide mutually accepted definitions of skills and job roles.

Implementation will start in at least five pilot regions in 2021.

The ambition to reach 5% of the workforce each year would result in 700,000 employees being up- and re-skilled along the automotive ecosystem in the coming years. Based on a re-skilling investment of on average €10,000 per employee^{vii}, this represents an overall commitment of around €7bn from the private and public authorities^{viii}.

KPIs include:

- Number of stakeholders involved and coverage of the ecosystem;
- Coverage of countries and regions;
- Stakeholder involvement in sectoral drivers of change, such as carbon-neutral mobility, electrification, new powertrains, green mobility, batteries, power cells, IT applications etc.

Supported by:

Industry



Social partners



Educational and training organisations



Other types of organisation



Regions and municipalities



Contact and more information:

Email: info@skills-alliance.eu

Related documents: <https://bit.ly/35TKEVO>

-
- i Reflecting the discussion during the high-level roundtable organised by Commissioners Schmit and Breton on 23 September 2020.
 - ii Such as initial ecosystem intelligence, skills mapping, basic principles of the EU Skills Framework in the automotive or dedicated database of industrial stakeholders, education providers and other relevant stakeholders.
 - iii For example, through regular exchange between regional stakeholders as well as on EU level on the skills and job roles needs based on reference definitions.
 - iv For example, through assessment of employee skills in order to identify the skills gap and offer a training path.
 - v For example, through DRIVES training courses in form of MOOCs or any other training courses that could be used in pilot regions directly for training of the individuals or providing train-the-trainers and train-the-teachers activities; cooperation between industry and training providers to create new courses, or to update or amend courses to serve the latest skills needs and to support a modular approach.
 - vi For example, through KPIs, such as number of up-skilled employees in the sector or employability of the individual up-/re-skilled to new job roles in the current company or within the ecosystem.
 - vii Depending on the initial level of qualification, the overall skills gap compared to the most required skills by the company, the level of qualification required by the future job, duration of the training and the worker salary during the period. Source: PwC.
 - viii The successful placement in a new job in 70% of the targeted population, the return on investment is calculated at corporate level by savings on layoff costs, recruitment costs and accelerated revenues. State level by savings on unemployment benefits and accelerated social and tax revenues. Based in our different estimations, at minimum on large-scale programmes, one euro invested in upskilling generates between 2 and 5 euros in savings. Source: PwC.