Overview of ESCO - a European classification of Skills, Competences and Occupations

I. What is ESCO?

ESCO – the European Skills, Competences and Occupations taxonomy[1] – is a multilingual classification of occupations, skills, competences and qualifications.

ESCO: the common language between the labour market and education/training

II. Why is ESCO being developed?

Employers are increasingly as concerned with what employees know, understand and are able to do in practice as they are with formal qualifications and there is a growing understanding of the importance of transversal skills, such as learning to learn and initiative-taking, in complementing occupational skills. At the same time, education and training systems are moving away from approaches defined around the time spent on learning and where the learning takes place (an input approach) towards a focus on the knowledge, skills and competences achieved through the learning (an outcomes approach). In line with the European Qualifications Framework (EQF), all Member States are in the process of developing National Qualification Frameworks (NQFs) which describe qualifications in terms of learning outcomes. To respond to these shifts and improve matching between supply and demand, a number of Member States[2] have felt it necessary to develop systems that classify skills and competences and enable these to be related to qualifications, occupations and job vacancies. Initiatives at sectoral level have also been taken.

At European level, in the framework of the New Skills for New Jobs initiative, a group of independent experts recommended the development of '*a common language between education/training and the world of work'*. This commitment has recently been affirmed at the highest level through Europe 2020: 'A European strategy for smart, sustainable and inclusive growth' and the conclusions adopted by the Education Council on 13 May 2010[3] which call for a common language and an operational tool.

DG Employment and DG Education and Culture have been entrusted with joint leadership of ESCO. The intention is to gradually build a multilingual **E**uropean taxonomy of **S**kills, **C**ompetences, qualifications and **O**ccupations (ESCO) which will be sufficient to broadly meet the needs of Member States who do not have their own classification system and to enable those with existing national and sectoral classifications to link with each other. ESCO will thus develop a standard European terminology – a common language - which will help underpin Member States' employment, education and training policies and contribute to the development of a European labour market and a European lifelong learning area promoting geographic and occupational mobility. It will also help deepen understanding of labour market needs and better connect education/training outcomes with jobs and tasks and support the implementation of the EQF.

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[1] A taxonomy is a particular classification arranged in a hierarchical structure or a particular system of classifying things. In this document taxonomy and classification are used synonymously.

[2] For example France, Germany, Austria, Sweden, the Czech Republic…

[3] On competences supporting lifelong learning and the "new skills for new jobs" initiative.

III. How will ESCO work and what is the current state of play?

A partial classification[4] is already in use in the European job mobility portal EURES. It exists in 22 languages and currently contains around 6000 skill descriptions and 5000 job titles. It will be updated and enriched with additional descriptions of occupations, skills/competences and qualifications to become an important part of ESCO. A crucial input will also come from the Dictionary of Skills and Competences (DISCO)[5] which contains around 10.000 skills and competence terms and exists in seven languages. ESCO will build on and link with relevant international classifications and standards, such as the International Standard Classification of Occupations (ISCO) and will complement existing national and sectoral occupational and educational classifications and enable exchange of information between them.

It is envisaged that ESCO will be structured around three pillars: i) occupations; ii) skills/competences; iii) qualifications[6] (building on the work done in the context of the NQFs related to the EQF) and will link these in a systematic way whilst enabling different entry points to serve a wide range of applications - for example someone building a CV may wish to show their skills/competences and qualifications generically to make them appear relevant to a wide range of occupations whereas an employer building a job vacancy notice may wish to closely link skills/competences and qualifications to a particular occupation. (See section V for practical examples of ways in which ESCO could be used).

ESCO will improve information exchange and facilitate co-operation between education/training and employment service providers, between public and private employment services and between public employment services of different countries. It will allow for electronic interchange of vacancy information (EURES) and CVs (Europass/EURES) as it will be fully compatible with these systems and easily understood by major labour market and education actors.

Work on ESCO is still in the early developmental stages. Constructing an operationally useful European standard terminology of skills/competences, qualifications and occupations is a long-term project and can only be done gradually, step by step. It is essential to work in close partnership with the relevant stakeholders to ensure it is based on real needs. Actors from the worlds of education/training and work must be able not only to link their existing classifications to ESCO but also to create around the ESCO standard enriched tools/applications that reflect the latest market developments and provide more and better options for matching, up-skilling and exchange of information and co-operation. It is expected that a first usable outcome will become available in 2012 and will be continuously updated and enriched in line with market developments and the corresponding demand for new skills. It will be made available free of charge to all interested institutions and operators on the labour market and within the education and training sector.

IIII. **Who will be involved in the development of ESCO?**

Stakeholders potentially concerned by ESCO include public, private and third sector employment services, the Social Partners, national education, training and qualification authorities and institutions, as well as sector skill councils, human resource management, recruitment and career guidance professionals, research organisations, promoters of other taxonomy and classification

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[4] Based on the system developed by the Swedish Public Employment Service

[5] Developed as a pilot project involving France, Germany, Hungary, Belgium, the Czech Republic and Lithuania with support from the Lifelong Learning Programme go to: http://www.disco-tools.eu/

[6] A qualification, as defined in the EQF Recommendation of 28 April 2008, is "a formal outcome of an assessment and validation process which is obtained when a competent body determines that an individual has achieved learning outcomes to given standards".

systems, developers of ICT HR applications (including other web-based job search tools) and international organisations such as the International Labour Organisation and the OECD. While ESCO will be resourced by the Commission in the form of a secretariat, responsible for the technical management and dissemination systems and other support, it requires the active involvement of all relevant stakeholders to shape it into a tool which meets practical needs and is kept up-to-date. All stakeholders willing to participate and contribute will be able to influence the way ESCO evolves.

The idea of ESCO was tested and confirmed at a Stakeholders conference held in March 2010 and additional consultation has taken place with a range of European committees, advisory groups and networks. In summer 2010 the Commission is sending a questionnaire to give a broader range of stakeholders the opportunity to feed in views on ESCO's development. The Commission will analyse the replies and draw-up preliminary proposals for discussion with the decision-making body – the ESCO Board - which is expected to be established in autumn 2010. The Board will then define the conceptual background of ESCO, decide on its operational structure and agree a work programme. The Commission will decide on the 15 members of the ESCO Board ensuring parity of representation from the spheres of education/training and the employment/labour market as well as involvement of the Social Partners and other relevant stakeholders.

Different levels and forms of stakeholder involvement in ESCO will be possible including: participation in the ESCO Board (for the most senior representatives of the bodies concerned); or in the ESCO Maintenance Committee (for technical classification experts); or in the Reference Groups (for experts on labour market and skill needs and related terminology); or sending proposals via the web-based tool or mapping national/sectoral classification systems to ESCO. [To find out more about ESCO's possible structures and the required profiles & tasks of members click here) [Include a link to the stakeholders note]

V.   How could ESCO be used?

There are many potential ways in which a multilingual classification and standardized European terminology covering skills, competences, qualifications and occupations could be used. At a general level, it will facilitate communication and foster more systematic links and comparability between sectors, institutions and countries. It will allow for a better matching of supply and demand on the labour market, enable more accurate and precise skills and occupational forecasting and improve the quality and reliability of guidance information. And it will make it easier for citizens, public employment services, guidance providers and employers to see the relevance of learning outcomes in national qualifications to tasks and occupations and to use the common language. Practical examples of uses that could be supported by ESCO include:

- Jobseekers can use it to describe their skill set when developing a CV that can then be easily used for various automatic matching purposes;
- Employers can use it to define a set of skills and competences required when they are developing a job description to be advertised with public or other employment services;
- Learners can use it build personal skill profiles & to record their learning outcomes;
- Bodies developing and/or awarding qualifications can use it to express learning outcomes in more operational terms;
- Education and training institutions can use it to improve planning and curriculum development related to emerging skill needs & to facilitate the recognition of foreign qualifications;
- HR managers & guidance providers can use it to enhance planning & enrich aptitude/ability tests, skills and interest inventories/tools;

- At European level ESCO will provide for a closer matching of jobseekers to jobs through the EURES European Job Mobility Portal
- New initiatives with a European dimension such as a Europass Skills Passport and self-assessment, guidance tools could be supported.