

# How far are EU countries from Making Skills Work?

20/09/2016  Policy, Research, Sweden, United Kingdom, EU, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain

EU Member States dedicate significant resources to skills development and employment policies, in particular on activation and matching. However, there has been no uniform measure across the EU to assess and compare the outcomes of these policies. Cedefop comes to fill in this gap with the **European Skills Index** (also known as Making Skills Work Index).

The potential workforce of a country is determined not only by the education and skills in the population, but also by the extent that skills are activated and effectively matched in the labour market, i.e. through successful transition to work, participation in the labour force, employment and matching between skills and jobs. Cedefop's **European Skills Index** provides a macro-level comparison of Member States' skills **development, activation** and **matching** systems (the three pillars of the Index).

The purpose of the **European Skills Index** is to inform Member States about their relative performance to identify policy areas where further attention is needed. One can look into the various elements of the Index and identify the success drivers of countries that score high in the Index.

## How has the Index been built?

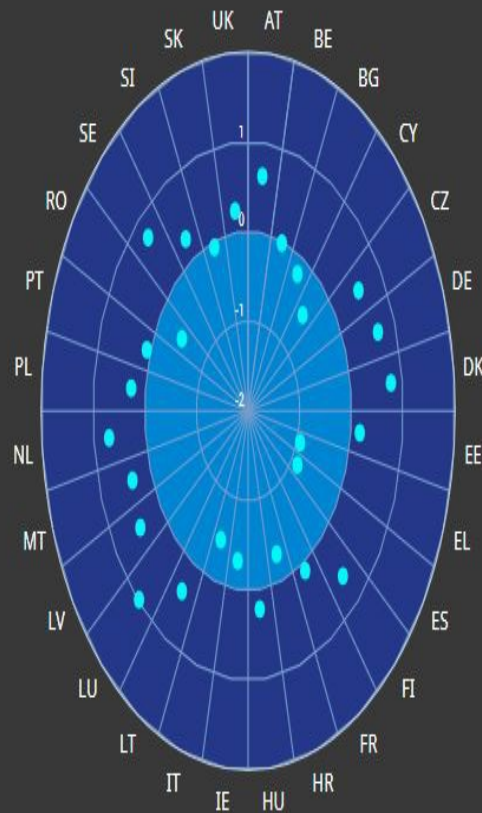
The production of the index has followed the methodology outlined in the *OECD/JCR Handbook on Constructing Composite Indicators* and has benefited from the input and feedback from the **European Commission's Competence Centre on Composite Indicators and Scoreboards**. Cedefop has also extensively validated the index both with methodological experts and with representatives of Member States who commented on the results for their particular country.

Data used have been drawn from international sources to allow comparisons across countries. The Index is comprised of three pillars - skills **development, activation** and **matching**. These are used to organise and aggregate 22 individual indicators. For each EU country, the Index offers both a summary score of performance as well as scores for each pillar.

## How to read the index?

The overall score of the Index provides the "Big Picture" and situates a country in comparison to the EU average (set as 0 value). Drilling in each pillar down to the level of particular indicators helps detecting differences across countries.

# European Skills Index



The **European Skills Index** shows a group of seven Member States (Luxembourg, Denmark, Sweden, the Netherlands, Germany, Austria and Finland) with skills formation and matching systems that perform notably better than the EU28 average on each of the three pillars. Of these seven leading Member States, all score amongst the top-performers on the development pillar, and Finland (ranked 7<sup>th</sup> overall on the Index) does best: within the development pillar, Finland has the highest of all Member States' scores in reading, maths and science (15-year-olds) and the highest proportion of the population with high computer skills. However, Finland has the oldest starting age for compulsory education and in consequence the lowest participation rate in pre-primary education.

Luxembourg has the overall highest Index score in the EU. However, even though Luxembourg performs best in terms of skills matching, its performance on skills activation and skills development is less distinctive, even though still about the EU average.

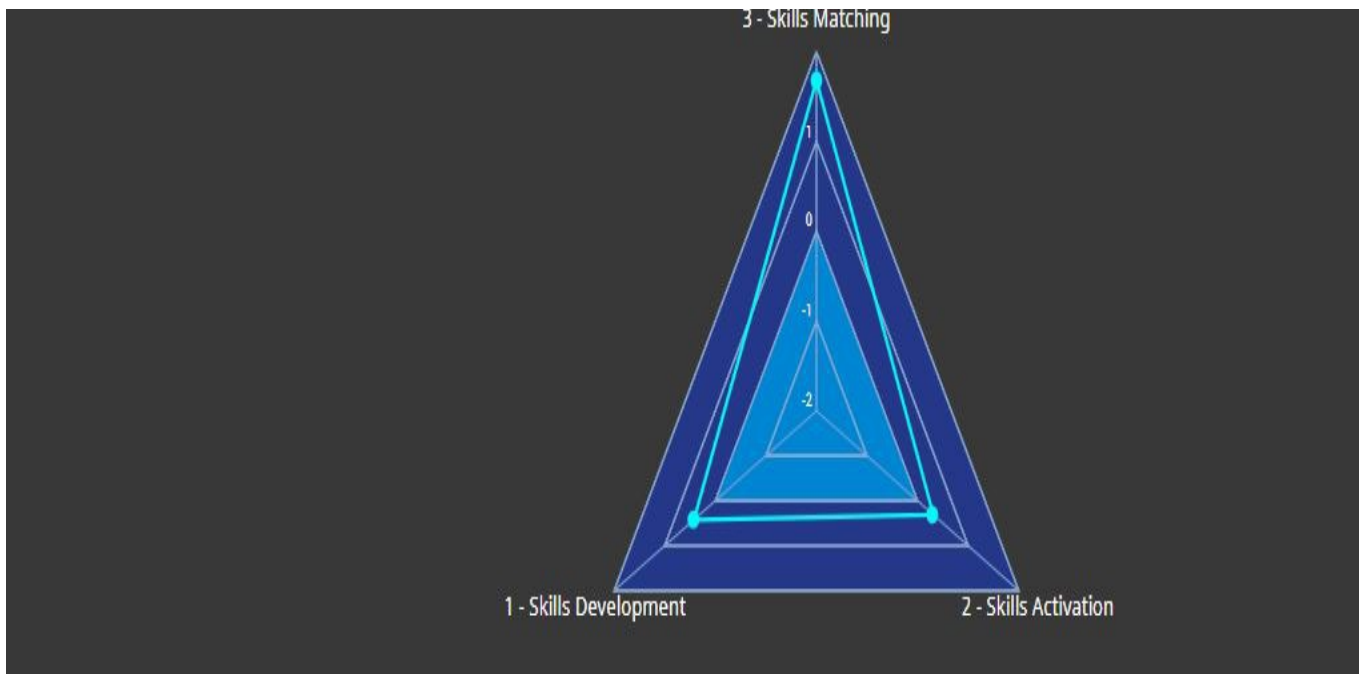
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European Skills Index

Country: Luxembourg X

European Skills Index



Interesting is the case of Malta where skills development is notably under-performing, skills activation is just average, but skills matching is outstanding. As a result, its overall score is relatively high. Another interesting case is that of Bulgaria, which even though performs well in skills matching, it underperforms in skills development and skills activation- and as a result, has a negative overall score.

## Where to look for the Index?

The **European Skills Index** is presented exclusively through the **Skills Panorama**. Users can explore the Index by country, by each pillar as well as by each of the individual indicators comprising the pillars. Short commentaries on the performance of each country in addition to a background factsheet are presented together with the **European Skills Index**.

Find out how your country **Makes Skills Work!**

For any further information or access to the technical report please contact:

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