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How education and training will contribute to emerge from the crisis

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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Ladies and gentlemen

I am delighted to be given the opportunity to speak to you today and to discuss with you the role of education and training in times of economic crisis. And I would like to thank you for inviting me to do so in such a pleasant atmosphere.

We all know that the European Union is facing severe economic challenges: a global economic downturn on a scale unseen for generations, intense pressure on public finances and a serious threat to the stability of the Union's single currency.

Being here today at an event organised by the Spanish Chamber of Commerce, and even if there are not only Spanish participants today, I would like to refer to the example of Spain.

I am fully aware of the difficulties that Spain in particular is facing, just as I am aware of the courageous steps that the country has recently taken to address the crisis: not least the inclusion in your Constitution of the so called "golden rule".

We are working together at European level to stabilise the financial markets. Progress has been too slow, but the resolve is there to defend the Euro and achieve stronger economic integration.

I am confident that the range of measures that have been decided at the latest European Council will finally gain the confidence of the markets. There are already some encouraging signs that this is happening.

But the crisis has also revealed that there are deep underlying problems with the EU labour markets.

Let me just mention youth unemployment. It is a huge concern all across Europe; and nowhere more so than in Spain, where it reaches well over 40%.

At European level we are making our own contribution. With instruments such as the recent Youth Opportunities Initiative and the Flagship 'Youth on the Move' and with the Europe 2020 strategy – which is the EU's overarching policy response to the crisis.

We have put a strategy in place. But that is not enough. We need to do more: now the strategy must be implemented as quickly and effectively as possible.

President Barroso has proposed a Youth on the Move Pact and special Action Teams to produce, in the Member States which needs it, targeted plans so we can have job programmes for youth in All Member States.

I am happy the Head of States and governments supported this idea few days ago in the informal European Council]

But what role can education and training play in this effort? How can they help Europe emerge from the crisis and prepare for the future?

My first message today is: *We need to make smart public investment decisions; and investing in education and training is clearly one of them!*

This is why, in its Annual Growth Survey 2012 on the implementation of Europe 2020, the Commission gives a pivotal role to education, training and skills. Member States are invited to continue investing in education and training – not *in spite* of the crisis but *because* of it.

This is all the more important since the European workforce will start shrinking as from this year.

If we want to cushion the progressive impact of demographic ageing on social protection systems, labour markets and the underlying growth potential, we will have to invest in every person, in order to equip them with the abilities, knowledge and skills they will need throughout their working life.

This requires a joint assumption of responsibility – for the provision of education and training, *and* for the funding.

I'm convinced that we can find new ways to share the burden of investing in education and training, because it is an investment that will benefit all stakeholders, including business.

On the Commission's side, the message is clear: within the Multiannual Financial Framework for the period 2013-2020 we have proposed an increase of more than 70% in funding for education and training to which we added a stronger focus of the structural funds towards the support of education and training activities.

But the Commission not only proposed a shift in priorities within the EU budget towards education, it also presented a new, single and more simple programme for Education, Youth, and Sports: 'Erasmus for all'.

With this programme, I propose to put an end to the current fragmentation of the European support to education and training.

I propose to continue and increase the support to mobility for all types of beneficiaries: students, teachers, VET students or volunteers. I propose also to develop and incentivize cooperation and partnerships. I finally propose to define and support clear political priorities such as language learning, recognition of diplomas, ICT in schools, transparency tools, early school leaving, and literacy.

With Erasmus for all - and with the budgetary allocation proposed - I am convinced we will have the capacity to make a lasting change in the Education landscape of Europe.

Of course, funds must be invested wisely – especially when they are scarce.

So my second message today is: *We must link efficient investment to smart reforms of the education systems.*

I believe we all agree on the analysis. It is not so much about why we need education and training – we all know why – but rather what needs to be done, now and in the mid-term, to make sure that Europe develops the education and training systems that its people deserve, and that the economy demands.

This brings me to the issue of skills. In the knowledge economy, growth, productivity and employment opportunities can only be generated if there is a sufficient supply of highly skilled individuals.

Our forecasts say that by 2020 35% of new jobs will require high-skills, while job opportunities for the low-skilled will shrink dramatically. It is not easy to predict precisely the "jobs of the future".

But already today we see that there are severe skills mismatches, - co-existing alongside skills shortages and even under-utilisation of skills.

We have nearly 80 million low-skilled workers in Europe – and at the same time the current young generation holds higher academic qualifications than any other generation before them.

And yet we are facing these terribly high rates of youth unemployment.

To address this paradox, education and training must become more relevant to the needs of the labour market.

First, we need to upgrade the skills of those 80 million low skilled Europeans, and to stop, as a priority, the flow of poorly-prepared early school leavers into this group.

Acquiring the so-called basic skills is the gateway to all further learning, employment and social inclusion. EU Member States have committed themselves to reducing the share of early school leavers – which in Spain currently stands at almost 29%

compared to an EU average of just over 14.% - to below 10%. But progress remains slow and uneven and effort needs to be targeted more effectively.

We also need to strengthen learning opportunities outside the usual classroom setting. Evidence shows that vocational training can be an effective alternative to a traditional education, and can help to prevent early school leaving.

I warmly invite all the stakeholders and especially the business representatives to support this idea by offering more in-company training places and by contributing your expertise to the reform of curricula.

Second, we need our education and training systems to produce *more tertiary graduates with more relevant job skills*.

The adoption of Europe 2020 headline targets includes also a higher education target of 40% of the 30-34 years old. But setting quantitative targets for graduation is not enough on its own.

The quality of higher education systems and institutions is fundamentally what counts.

Good quality higher education has the capacity to stimulate flexible, creative thinking and complex problem-solving - the types of skill needed on the future labour markets and for innovation in global competition.

This has a lot to do with high quality teaching, the governance of institutions and their openness to non-traditional learners as well as efficient funding.

And, as identified in the agenda for the modernisation of higher education, which I tabled last September, it is very much a question of cooperation between higher education and businesses.

We need an open dialogue between the worlds of education and work to make programmes more relevant, facilitate work placements for students and enhance innovation. This is why the European Commission has launched the University-Business Forum.

But we need to go one step further since I firmly believe close cooperation between academia and business, as part of a strengthened knowledge triangle, can be fundamentally beneficial to both sides.

This is the reason why I presented, within Erasmus for all, and for the first time, a concrete instrument to financially support such cooperation: the Knowledge Alliances in the university sectors and the Sector Skills alliances in the area of Vocation Education and Training.

These Alliances are structured co-operation ventures which will bring together businesses and education institutions. Their objective will be to deliver new curricula and develop new courses in order for the education systems to better match the skills sought after by the labour market. These partnerships will also offers opportunities to student to have a first work experience through placements.

The alliances have the potential to structurally change, within our Member States, the way the world of education and the world of work cooperate. In this regard, I am very pleased that the European Parliament, even in this difficult financial period, has adopted a 1 million EUR pilot action to support to already launch this year three Knowledge Alliances.

The partnerships selected few weeks ago look very promising.

In the same vein, I have proposed to create, within the Marie Curie Actions – the programme to support researcher mobility in Europe - a new scheme: the industrial PhDs. This scheme will support PhD students willing to take their PhD in close cooperation with a company.

Here again thanks to the European Parliament, a pilot scheme will be launch this year.

Ladies and gentlemen,

My third and final message today is: *It is not sufficient to invest more in education, we need also to create the conditions to boost innovation and entrepreneurship in Europe.*

This is where the European Institute of innovation and Technology (EIT) comes in. The EIT responds to the need to make Europe more innovative and to help good ideas to get faster to the market.

It adds an education component to the more traditional innovation partnerships between businesses and research.

With the EIT, and for the first time at EU level, we fully integrate higher education as a constitutive element of a single innovation chain alongside research and businesses.

The EIT operates through three Knowledge and Innovation Communities (KICs) that bring Europe's most creative partners from industry, higher education, and research, in areas that are crucial for our common future – like climate change, sustainable energy and the information and communication society.

After less than two years of operation, the three KICs – "InnoEnergy" (in which also Spanish companies are involved via the 'Iberia' co-location centre), "Climate" and the "EIT ICT Labs" – are already delivering very tangible results.

The first students have started an EIT labelled master degree focusing both on specialised and entrepreneurial skills

A number of start-ups and spin-offs have already been created and more are in the pipeline. For example, in a few days from now I will give the first EIT entrepreneurship awards to the most innovative new companies created in the context of the KICs.

I therefore strongly believe the KICs can become a role model of the way we should approach the innovation challenge in Europe and develop the necessary "cross fertilisation" and type of partnerships between businesses, education and research.

The Commission has underlined this commitment through a proposal for the creation of six new KICs until 2020 in the areas: healthy living; food for the future; raw materials; added value manufacturing; smart secure societies and urban mobility.

Dear friends, I close my intervention today with a hopeful message.

Europe has the potential to convert itself into the prosperous society we all want it to be. We are ready to face our own 'Sputnik shock'.

This is the time that Europe, in conditions of economic crisis and fearful competition, should safeguard what has been achieved over centuries in education, and make the ambitious next step and build the future of its citizens on strong foundations.

Its education system has the capacity to play the driving role in this challenging route. We need to focus on the fine tuning that is needed to strike the right balance between the traditional role of education and the needs of today's knowledge-based society.

Our recipe for success will be our will for consensus, our vision for the future, our traditions from the past.

Thank you for your attention