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MEETING BETWEEN THE TROIKA OF THE EDUCATION COUNCIL AND SOCIAL PARTNERS, BRUSSELS, 11 MAY 2009

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Dear Ministers, Commissioner, Ladies and Gentlemen,

We are meeting in difficult circumstances. The Employment Summit last week discussed measures to mitigate the effects of the crisis. BUSINESSEUROPE supports the main messages coming out of the Summit. In particular, there was unanimous agreement that improving skills must be part of the solution.

Companies are doing what they can to keep their workers during the recession. This is key to avoid losing skills and be ready to fully exploit the next economic upswing.

However, even in the midst of the crisis and with rising unemployment, there are still 4-5 million unfilled vacancies. If anything, this shows that there is a serious problem of skills shortages and a structural mismatch on our labour markets. European employers have been reporting a lack of scientists, engineers and IT specialists in particular for more than 10 years. For example, there is a shortfall of around 50,000 engineers in Germany today. In the period July 2007 – July 2008, this lack of engineers caused an estimated loss of € 28.5 billion euro for the German economy.

Addressing mismatches and shortages will give a much needed boost to economic growth and improve Europe's ability to compete on global markets.

In the long term, strengthening skills is necessary for an innovative and sustainable Europe. We need more language skills and occupational



skills. Much of the latter can be generated through formal education. However, an increasing part is acquired 'on the job'.

In addition, we must provide people with the skills required by the global knowledge economy. Europe will increasingly be dependent on talents who have the capacity to address new issues and to anticipate and steer change. More generally, we also need to raise the proportion of people with tertiary level educational attainment. We still have considerable deficits vis-à-vis our global competitors in this respect (EU: 25%, US: 38%, Japan: 36%).

The New Skills for New Jobs initiative has just been launched. It is strongly supported by businesses. We see it as part and parcel of the flexicurity approach. Providing workers with the necessary skills will boost their confidence and increase mobility and productivity on our labour markets.

Updated strategic framework

European cooperation will help to achieve our objectives. The four strategic challenges identified in the Updated Framework are the right ones. Let me briefly discuss two of them.

➤ Quality and efficiency of provision and outcomes

In an environment characterised by increased skill requirements and tightening public expenditures, quality and efficiency of provision and outcomes matters a lot. In fact it is key to compete in the knowledge economy.

Experience in the US shows that education and training institutions should be given greater autonomy to provide high quality outcomes. They should also be subject to quality assurance.

➤ Innovation and technology

The promotion of innovation and technology, including entrepreneurship, needs to become a priority. Innovation and new technology does not



simply happen. New ideas need new skills and new talent. Knowledge needs to be shared among those who generate it and those who apply it.

Nevertheless, higher education has notoriously been the absent member of innovation partnerships. Therefore, we need to bring academia, research and business to work more closely together. This way, more new ideas will find their way on to the market.

Part of the problem is also money. We need to invest more and better in higher education if we want to drive innovation. At the moment, Europe spends only about half as much as the USA and Japan in terms of GDP.

Working methods

A few words about the methods in the OMC that can help to achieve these objectives.

➤ Benchmarks

Benchmarks are an important measure to spur qualitative improvements in education and training.

BUSINESSEUROPE supports the proposal for three new benchmarks on mobility, employability and innovation & creativity. We are pleased to see that they correspond to the challenges outlined in the “New Skills for New Jobs” communication.

It is important to involve companies in the development of these new benchmarks. They know best what the labour market needs in the future.

➤ Partnerships

In this respect, priority should be given to the creation of partnerships between business and education and training institutions. For example, business needs to be actively involved in development of curricula.

A good example for successful partnerships is JetNet, a joint venture between companies and schools in the Netherlands. The purpose of JetNet is to allow students to gain a better understanding of what a career



in industry and technology can offer. It helps schools to enhance the appeal of their science curriculum.

Much has been done for partnerships in the last few months by the Czech Presidency and the European Commission. BUSINESSEUROPE appreciates these efforts and is confident that the Swedish presidency will push the agenda further.

Conclusion

The updated framework is an important new step to address Europe's skills challenge. We hope that companies will be closely involved in its implementation. BUSINESSEUROPE is committed to contribute actively to this process.
