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CEDEFOP CONFERENCE ON THE ROLE OF SOCIAL PARTNERS IN IMPLEMENTING EUROPEAN TOOLS AND PRINCIPLES

INCREASING THE RELEVANCE OF EDUCATION AND TRAINING TO THE LABOUR MARKET

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The state-of-play on our labour markets

- The subject we are discussing today is an important one. Better functioning labour markets and a more skilled workforce are not only essential to reduce unemployment in the wake of the crisis. They are also paramount to achieve the Europe 2020 targets in the fields of employment and education.
- The unemployment rate of the EU now stands at 9.7%. This corresponds to more than 23 million men and women without jobs. And for young people, despite the fact that they are the most highly educated generation of all times, unemployment stands at 21 percent on average in the EU27 and reaches more than 40% in some countries. And yet, there are currently still more than 470.000 vacancies in the UK and more than 129.00 vacancies in the Netherlands to name just two countries.
- The explanation for these conflicting figures is a clear mismatch between the supply and demand of skills. A recent Manpower Survey shows that nearly one in four European employers have difficulties to fill vacancies. The most hard to find people are: skilled trades workers, technicians and engineers.

The importance of quality and relevance in education

- BUSINESSEUROPE is highly concerned about these skills mismatches. High-quality education systems delivering relevant courses are crucial to plug this gap. Increasing the relevance of education means ensuring that the skills people acquire during their studies are actually demanded by companies. In order to achieve a higher quality of education, the subjects taught must be the right ones and they must be taught in the best possible way.



- By and large, the action needed to enhance quality and relevance has to be taken at national level. We know what needs to be done. CEDEFOP has pointed to this and recently also the OECD, with the latter making concrete suggestions such as:
 - providing effective career guidance that includes good information about labour market prospects,
 - using financial incentives to encourage students to train in specific areas and to boost the amount of workplace training offered,
 - assessing future skill needs through consultations with employers and unions.
- Strengthening the connections between the worlds of work and education will not only contribute to an increase in the quality and relevance of education, including vocational education and training. It will also boost its attractiveness. That this is highly needed in particular for VET shows the recent Eurobarometer: Only 27% of young people aged 15-24 say they would recommend it to their peers.

On European cooperation in VET

- European cooperation in vocational education and training is important. It helps to act as catalyst for much-needed reforms at national level. Almost one year ago the Bruges Communiqué was adopted. We were and are of the opinion that it sets the rights priorities for European cooperation for the next ten years.
- For companies, the shift towards a learning outcome approach cutting transversely through all coordination and transparency tools is a key priority. Such a shift will not only promote mobility between different education systems, it will also increasingly reward the actual performance of learners during their training. This will make students better prepared for the world of work.
- Looking forward, what is important now is the actual implementation of different transparency and cooperation tools such as the European Qualifications Framework and the link with national qualifications. These need to be turned into reality first before new tools (such as ESCO) are added.
- In this respect, let me also emphasise the much needed cooperation and coordination between the Copenhagen and Bologna processes. Progress has clearly been made but they must be brought closer to each other. Effective ways to develop clear progression routes from vocational and other education types into higher education should be established.
- So we need to concentrate on what exists. New initiatives might be well-intentioned but appear disconnected from the magnitude of the challenges Europe is facing.



- Moreover, times have changed. Public budgets are under pressure. BUSINESSEUROPE has always said that fiscal consolidation should be accompanied with investments in growth-enhancing areas. Education is certainly such an area. But we cannot afford to ignore the cost-effectiveness of the expenditures we do and the policies we put in place. The priority must be to build on existing EU-level tools and instruments and eliminate the real obstacles at national level.

On the role of employers

- The best way to ensure a better match between skills supply and demand is to involve employers in the development of courses, teaching methods, assessment of qualifications etc. as well as in the management of education institutions. This will allow for a flexible process of continuous adaption of the education and training to labour market needs.
- But also unilaterally, businesses regard training of their employees an important investment. Training paid for by employers is at its highest level since Eurofound started measuring this in 1995. But companies cannot compensate for deficiencies in initial learning. We need education systems to give workers the qualifications and skills, including problem solving, sense of initiative etc. that companies need.
- We heard President's Barroso's call on companies to make a special effort to provide apprenticeships. That is exactly what employers are doing. And many companies are willing to do more. But they cannot do it alone. Incentive mechanisms should be created and the bureaucracy surrounding company involvement in training should be reduced. We are ready to explore with the Commission at EU level the idea of a Youth Opportunities Initiative. But this must be more than a symbolic action. It must add real value. Mobilising the European Social Fund to put in place dual training systems where they do not yet exist should be looked at.

To conclude:

- A lot has been done over the past years but the figures show that our education systems are not delivering what labour markets need. We must pursue the necessary reforms, including through further implementation of transparency and cooperation tools. The real test will be whether the whole framework of European transparency policy for VET and Higher Education has the ability to turn the European learning area into a concrete and dynamic reality. This will be dependent on simple and un-bureaucratic structures for implementation as well as involvement of social partners. Only then will we be able to use the tools to the fullest and provide better employment prospects for workers and give companies the competitive workforce they need.
