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MISSION GROWTH CONFERENCE

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“EDUCATE FOR EMPLOYMENT”

These speaking notes are based on the BUSINESSEUROPE brochure ‘educate for employment’ handed over by President Thumann to Commission President Barroso during the closing session of the European Business Summit.

Ladies and gentlemen.

“**ACCESS TO A SKILLED WORKFORCE**” is a pressing challenge that companies face to maintain and improve their competitive position at global level.

Around the world, there is an unprecedented competition between companies to attract **talents**. Entrepreneurs know that **human capital** makes the difference.

- Human capital is crucial to design innovative products, processes and services.
- Human capital is crucial to maximise the customer base.
- And it's crucial to win new markets.

In other words: Human capital is crucial to growth and job creation!

The availability of skilled workforce is a key factor companies look at before investing in a country. Countries that want to attract foreign investors must make sure that their education and training systems respond to labour market needs.

Emerging economies, in particular the BRICS, **invest** in future growth via knowledge production.

A striking example is China. Here the population of highly educated people has expanded by 700% since 1990.

In Europe too, governments invest in education. Investing in skills is rightly seen as a strategic driver of future growth.

But in too many European countries, education and training outputs remain disconnected from labour market needs.

There is a worrying gap between political declarations and the content of actual policies.



The real education and training offer is often far from companies' realities and needs. In 2015, the shortage in qualified ICT staff in the EU is expected to reach between 384.000 and 700.000 and the supply in Science, Technology, Engineering and Mathematics skills will not match the rising demand of companies.

Let me give you some hard facts.

Europe has 24 million unemployed people. At the same time we have 4 million unfilled job vacancies.

An obvious mismatch! And this mismatch means missed opportunities for people to find a job and for companies to grow and create more employment.

Another fact:

Youth unemployment in the European Union is currently at 22.4%. That means each **fifth** young person is currently lacking a positive perspective!

This huge youth unemployment is partly due to the economic situation. But also to the negative image of vocational education and training, and early school leaving. In a majority of European countries apprenticeships are clearly under-used.

And that is why urgent action is needed to “**educate people for employment**”.

A positive example is set by Sweden, Denmark, Finland and the United Kingdom. These countries are not European champions in innovation by sheer chance: more than 20% of their working age population participates in education and training.

Ladies and gentlemen.

20 million companies small, medium, and large, employing 120 million workers, and represented by BUSINESSEUROPE, have **one** key message. A key message to give as a conclusion to this conference on growth:

Europe must educate for employment!

We must invest in initial education and lifelong learning. Europeans of all ages must be able to develop the knowledge and skills they need to succeed on labour markets. In order to contribute to future prosperity of our continent.

Investing in education starts at national level.

Education and training systems must be reformed. These reforms should include:

- close cooperation between companies, employers' organisations and educational and training institutions.



- These reforms should also support students to make an informed choice based on clear information regarding career opportunities in different sectors and professions.
- And reforms to stop measuring the level of education in terms of hours spent, and focus instead on competences and skills actually acquired.

What can the EU do?

It should make the “*European learning area*” a reality!

The European Commission should

- **support** Member States efforts to modernise education and training notably. By providing seed funding for Member States that wish to establish or reform their dual learning systems.
- **improve** EU skills governance. This can be achieved through promoting complementarities between higher education and vocational education and training. And also by **involving social partners**, to ensure that the decisions taken, really match the actual employers’ and workers’ needs.

The European Commission has adopted an “**employment package**”, which defines an agenda to achieve a job rich recovery.

The strategic approach to education policies that BUSINESSEUROPE is calling for, is part of the answer.

But developing skills for the new industrial revolution goes way beyond education and training. It requires a change of mindset and a more positive attitude

- towards entrepreneurship and risk taking (too often considered with suspicion),
- towards mobility (professional and geographical remains far too low),
- and a more positive attitude towards change and innovation.

In Europe, more than anywhere else in the world, public policies are at the same time trying to impose change through regulation in some areas (for example to protect the environment and fight climate change) and at the same time to prevent change through regulation in other areas (for example in labour law).

To get out of these contradictions and develop an effective growth agenda, Europe must support investment in innovation, facilitate change, and help people to move to new jobs rather than trying to cling to activities of the past, etc.

“**EDUCATING FOR EMPLOYMENT**” requires a coherent and positive attitude to changes in all policy areas.
