

MEMBERS ARE 41 LEADING NATIONAL BUSINESS FEDERATIONS IN 35 EUROPEAN COUNTRIES

 Austria	 Belgium	 Bulgaria	 Croatia	 Cyprus	 Czech Republic
 Denmark	 Denmark	 Estonia	 Finland	 France	 Germany
 Germany	 Greece	 Hungary	 Iceland	 Iceland	 Ireland
 Italy	 Latvia	 Lithuania	 Luxembourg	 Malta	 Montenegro
 Norway	 Poland	 Portugal	 Portugal	 Rep. of San Marino	 Romania
 Serbia	 Slovak Republic	 Slovenia	 Spain	 Sweden	 Switzerland
 Switzerland	 The Netherlands	 Turkey	 Turkey	 United Kingdom	



ON THE OCCASION OF THE 10TH EUROPEAN BUSINESS SUMMIT, MR JÜRGEN THUMANN, PRESIDENT OF BUSINESSEUROPE, ASKED MR JOSÉ MANUEL BARROSO, PRESIDENT OF THE EUROPEAN COMMISSION, TO PUT LABOUR MARKET NEEDS AT THE CENTRE OF EDUCATION AND TRAINING. THIS IS ESSENTIAL TO SUPPORT INNOVATION IN THE MORE THAN 20 MILLION SMALL, MEDIUM, AND LARGE COMPANIES EMPLOYING SOME 120 MILLION WORKERS REPRESENTED BY BUSINESSEUROPE THROUGH ITS 41 MEMBER FEDERATIONS FROM 35 EUROPEAN COUNTRIES.

READ MORE IN REPORTS "CREATING OPPORTUNITIES FOR YOUTH" AND "PLUGGING THE SKILLS GAP" AVAILABLE ON BUSINESSEUROPE'S WEBSITE

WWW.BUSINESSEUROPE.EU









10 KEY FACTS

1 HIGH UNEMPLOYMENT

24.5 million men and women are without jobs in the EU. With almost 5.5 million unemployed under 25, the EU youth unemployment rate - 22.4% - is more than twice the overall rate of 10.2%.

2 SKILLS MISMATCH

Four million jobs are vacant in the EU due to a mismatch between the skills of the unemployed and the skills required for available jobs.

3 CHANGING SKILLS NEEDS

There is a clear trend towards more skill-intensive jobs. Almost 90% of the jobs that are expected to be created or become vacant by 2020 will require medium or high qualifications.

4 EARLY SCHOOL LEAVING

14.1% of the 18-24 population left education and training with at most lower secondary education in 2010. Early school leaving will be increasingly problematic in the future due to an expected loss of almost ten million low-qualified jobs by 2020.

5 AGEING

Another challenge is to ensure the availability of a sufficient workforce in the long term. In 2014 the working age population (people aged from 20-64 years old) will start to shrink. In 2020, it will have declined by around 3 million persons and by 40 million in 2050.

6 SKILLS SHORTAGES

Europe's education and training systems are not adapted to companies' skills needs. In 2015, the estimated shortage of qualified ICT staff in EU will rise to somewhere between 384,000 and 700,000. More generally, the supply of Science, Technology, Engineering and Mathematics (STEM) skills will not match the increasing demand of companies.

7 INTERNATIONAL COMPETITION

New education and innovation powers are emerging. Absolute spending on education and research has skyrocketed in China: up 615% since 1996. The Chinese population of highly educated people has expanded by over 700% since 1990.

8 LOW PRODUCTIVITY GROWTH

Annual EU productivity growth over 2001-2007 was +1.45% and -0.23% in 2008-2010, compared with +2.5% and +1.8% in the US over the same periods.

9 LIFELONG LEARNING

In 2009, the best performing countries in terms of innovation in the EU - Sweden, Denmark, Finland and the United Kingdom - had more than 20% of population aged 25-64 participating in education and training.

10 LOW MOBILITY

In 2010, only 2.8% of the European working age population (15-64) lived in a Member State other than his or her own. The average tenure in the same job in the EU stands at around 10 years, compared with 4.4 years in the US.

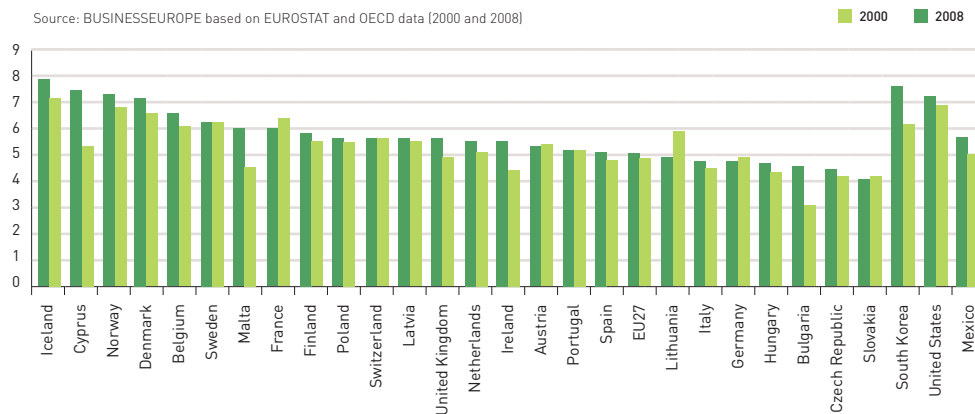


INVESTING IN EDUCATION FOR COMPETITIVENESS

Countries around the world invest heavily and increasingly in education and training. Investing in education is a key priority for Europe to remain competitive in high value-added sectors of production.

EXPENDITURE ON EDUCATION AS A PERCENTAGE OF GDP FOR ALL LEVELS OF EDUCATION

Source: BUSINESSEUROPE based on EUROSTAT and OECD data (2000 and 2008)



In some European countries, the overall level of spending on education might need to be increased to achieve better learning outcomes, both in initial and continuing education.

Besides governments' investments, lifelong learning has become a permanent feature of human resources management. 72% of companies check the need for further training of their staff in a systematic way and 62% give employees time off to undertake training. According to the OECD, an individual can expect to receive around 1,000 hours of instruction in non-formal education during his or her working life, of which 70% is job-related training sponsored by employers.

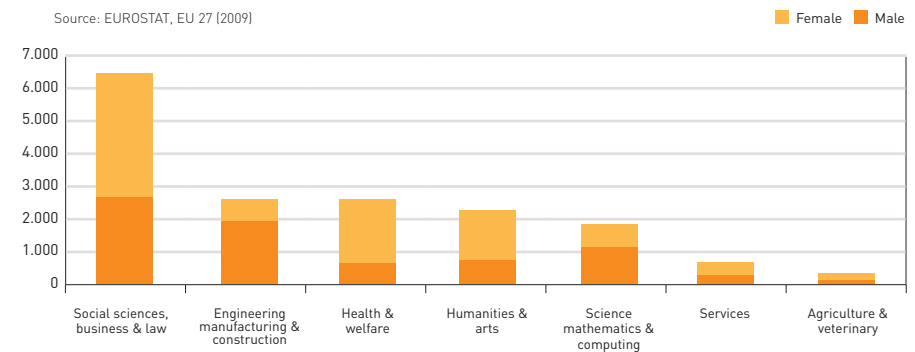
In all EU countries, particularly when there is limited or no room for additional public spending, much more could be achieved with existing resources. This requires putting labour market needs at the centre of education systems.

PUTTING LABOUR MARKET NEEDS AT THE CENTRE

Addressing present labour shortages and anticipating future skills needs requires notably more students choosing and leaving university with a degree in the fields of engineering, science, mathematics and computing.

STUDENTS IN TERTIARY EDUCATION, BY FIELD OF EDUCATION AND GENDER

Source: EUROSTAT, EU 27 (2009)



By 2020, there will be 83 million new job opportunities for labour market entrants. 75 million jobs will derive from replacement of people leaving on retirement. 8 million new jobs will be due to an expansion of labour demand.

JOB OPENINGS BY QUALIFICATION, EU27+

	Expansion demand	Replacement demand	Total job openings
High qualification	13,535	23,430	36,965
Medium qualification	4,834	32,645	37,478
Low qualification	-9,992	19,234	9,242
All qualifications	8,377	75,309	83,686

Source: Cedefop Skills Forecasts 2012; Levels (thousands)



EUROPE MUST CHANGE ITS APPROACH TO EDUCATION

Achieving growth, productivity and jobs in Europe to reduce unemployment relies on governments managing human capital more proactively. The objective is to ensure that available resources are used by priority to bring to Europeans of all ages the knowledge and skills they need to succeed on labour markets. Education and training systems should be reformed to ensure that resources are spent effectively and that curricula better match companies' skills needs.

FOR REFORMS TO BE EFFECTIVE

- **Close cooperation between companies, employers' organisations and education and training institutions is key.**
- **Students should be helped to make an informed choice based on clear information regarding career opportunities in different sectors and professions.**
- **Education should no longer be measured in terms of hours spent in education, but in terms of competences and skills actually acquired.**

WHAT THE EU HAS TO DO

The main responsibility for education policy is and should remain in the hands of national governments. In the context of existing EU competences, further efforts are needed to achieve a European learning area.

BUSINESSEUROPE ASKS THE EUROPEAN UNION TO

1

Support Member States' efforts to modernise education and training

In initial education

- Governments must provide a well-functioning general school system – both primary and secondary – that prepares pupils properly for further education and training.
- The EU should allocate a share of the European Social Fund and of the Erasmus for All programme to provide seed funding for Member States that wish to establish or reform their dual learning systems.

In lifelong learning

- The EU should ensure that national framework conditions support and reward employer and employee investment in continuing vocational education and training.

2

Remove obstacles to mobility and skilled immigration

- Assess and lift unjustified obstacles to worker mobility in the areas of recognition of professional qualifications and pensions.
- Attract highly skilled third-country nationals. The Blue Card and single permit is a step in the right direction. It is now important to bring transparency and simplification to admission procedures of intra-corporate transferees (ICTs).

3

Improve EU skills governance

- Promote complementarities between higher education and vocational education and training.
- Involve social partners at all levels of the EU skills governance to ensure that skills policies match employers' and workers' needs.