

# Key findings

The European Union's Strategy to boost growth and jobs – Europe 2020 – aims to tackle the crisis and build a stronger, more competitive Europe. To meet these objectives, people have to be equipped with the skills and qualifications they need on today's labour market, and even more so on tomorrow's global knowledge-based economy. Skills and qualifications are one of the key factors determining Europe's economic success.

However, the difficult economic context casts its shadow on the financing of education and training. The Commission has called on Member States repeatedly to give priority to growth-friendly expenditure. In July 2013, 17 Member States were given a country-specific recommendation, urging them to pursue growth-friendly fiscal policies. In practice, however, spending on education and training, a growth-enhancing mechanism by design, is decreasing or stagnating. This is particularly worrying as it puts at risk Europe's return to smart, sustainable and inclusive growth. After all, world-class education and training requires investing substantial resources.

Education outcomes can be measured in terms of skills or qualifications. The Europe 2020 Strategy focusses on qualifications by setting out a twofold headline target on early school leaving and tertiary education attainment, to be reached by 2020. First, the share of early school leavers is to be decreased to below 10%. In 2012, Europe stood at 12.7%, down from 13.4% the previous year. The target seems to be within reach, but about 5 and half million citizens is still leaving school prematurely, which makes it hard for them to find employment. Second, the EU is making good progress towards the target to increase tertiary attainment to 40%. The EU now stands at 35.7%, up from 34.5% the year before. However, it will be a challenge to combine the increase in numbers with a solid quality of higher education.

Another way to measure education outcomes is by looking at skills. New findings from the OECD's Survey of Adult Skills (PIAAC) expose a weakness: the skills of Europe's working-age population are not in line with the needs and requirements of the labour market. Today Europe is facing a serious skills gap that risks hampering growth and employment in the future; and the least skilled workers, who are in the most urgent need of up-skilling to be employable, tend not to take part in training. To close this skills gap and bring adult skills in line with the general expectations and needs of our modern economy will require substantial investment over many years.

To secure the necessary investments for skills and qualifications is not easy. In part, the solution will be to scrutinise spending in light of the various education outcomes. Another approach will be to introduce efficiency measures that have to potential to transform investments into stronger outcomes. Efficiency measures can help to meet the twin challenge of pursuing fiscal consolidation and investing in growth-enhancing policies.

As an example of such efficiency measures, Europe would benefit from overcoming remaining barriers that are due to the myriad of existing diplomas, certificates and qualifications. Despite the existence of a large number of policies and instruments, there still remain obstacles for individuals to move between countries, across different education sub-systems, and from education to work. Europe needs better transparency and recognition of skills and qualifications. Efforts towards a European Area for Skills and Qualifications will enhance the effective recognition of competences and qualifications and support the free movement of learners and workers.

Another example of efficiency measures will be to link the worlds of work and education more closely, in order to curb and even prevent youth unemployment, which is one of Europe's most pressing problems. To ensure that education and training systems provide high-quality and labour market relevant skills, they have to be adjusted to respond better to economic developments; if possible, they have to detect or anticipate emerging trends in order to secure in time a stable supply of relevant skills. This will help to avoid shortages of qualified labour and skills mismatches.

The policy messages set out in the analysis above are supported by 10 key findings that emerge from the second annual Education and Training Monitor.

*The consolidation of public finance and youth unemployment challenge European education and training systems ...*

- 1. Sixteen Member States decreased their education expenditure at some stage between 2008 and 2011*, with six of them showing further significant budget decreases in 2012 (EL, IT, CY, LV, PT, UK-WLS). Cutbacks in spending per student across Europe started to be most prevalent in tertiary education (12 Member States) between 2008 and 2010. Whereas the majority of Member States decreased spending per student for at least one level of education, BG, ES, HR, IT, LV and RO cut down on all levels from primary to tertiary in this period.
- 2. The employment rate of recent graduates with at least upper secondary education stands at 75.7%, down from 82.0% in 2008.* An advantage of tertiary education attainment over upper secondary education attainment is still visible in all Member States. However, across the EU, 21% of people with tertiary qualifications are active in jobs that usually require lower qualifications. This suggests that, in spite of the high levels of unemployment, there is also evidence of skills mismatches.
- 3. The transition from education to work can be facilitated through quality traineeships, apprenticeships and dual learning models.* Students from vocational education and training programmes have a better transition from education to work in Member States with developed work-based learning (e.g. DK, DE, NL and AT). Many Member States are working on reforms that build on the experiences of these countries.

*... while analysis of the twofold Europe 2020 headline target underlines the need to link the worlds of work and education more closely, ...*

- 4. Early school leavers are struggling to move between the worlds of work and education.* The rate of early leavers from education and training stands at 12.7%. However, between 2009 and 2012, IT, DE, FR and CY have been making little progress and HU, RO and BE have even shown an *increase* in their early school leaving rates. The biggest challenge lies in the transition from school to work, with the unemployment rate amongst early school leavers at 40.1%, and from work back to learning, with only 0.8% of 18 to 24 year-olds in non-formal learning after having left formal education.
- 5. A global race for talent changes the landscape of higher education.* With the tertiary attainment rate now at 35.7%, the policy focus is shifting towards improving completion rates (still below 70% in many Member States), further enhancing quality and relevance and promoting the international mobility of students. International mobility in higher education increases the probability of mobility after graduation and can help in tackling skills mismatches and bottlenecks across the European labour market.

*... the current skills diagnosis reveals serious underperformance in the basic and transversal skills that are crucial on the European labour market, ...*

6. *20% of 16 to 65 year-olds is unable to exceed a basic level of literacy and 24% is unable to do so in numeracy.* The results from the Survey of Adult Skills underline the need for lifelong learning. However, skills levels and participation in adult learning are strongly connected in many countries, confirming that lifelong learning is still not profited from by those who would benefit from it most. Adult participation in lifelong learning stands at only 9.0% and is most prevalent amongst the young and highly educated.
7. *Only half of the EU population aged 15 years and above agree that their school education helped them to develop entrepreneurial competences.* Virtually all countries that show an above-average performance in entrepreneurial attitude also have above-average percentage participation, at school or university, in courses or activities concerning entrepreneurship. Efforts to develop entrepreneurial skills are needed to support new business creation, employee innovation within existing companies and to improve employability levels of the young. Entrepreneurship education is a tool to drive up the economic benefits of education.

*... and important cross-sectorial issues still impede progress of Europe's education and training systems.*

8. *Inequalities persist in European education and training systems.* Evidence suggests that many education and training systems in Europe are marked by inequalities, reflected by strong disadvantages in the skills and qualifications of social groups such as young people with a migrant background. There is also wide variation between different Member States in their success at addressing the problem. These inequalities have severe consequences for individuals, for economic progress and for social cohesion.
9. *Rethinking how we attract, educate and support teachers, school leaders and teacher educators is a pressing issue,* with the teaching profession across Europe strongly affected by demographic trends. In many Member States, the majority of teachers currently in employment are in the highest age brackets. In IT, DE, EE and NL, for example, more than 45% of the teaching workforce is in the 50+ category and in IT, BG, DE and ES there are very few teachers under the age of 30.
10. *Europe is lagging behind in the development of Open Educational Resources (OER) and Massive Open Online Courses (MOOCs).* Although digital technologies are fully embedded in the way people interact, work and trade, they are not being fully exploited in European education and training systems. While 70% of teachers in the EU recognise the importance of training in ICT-supported pedagogies, only 20% of students are taught by digitally confident and supportive teachers.

# Targets in education and training

			Current	Target	
Headline target	<b>1</b>	<b>Early leavers from education and training</b>	The share of the population aged 18-24 fulfilling the following two conditions: (1) the highest level of education or training attained equals International Standard Classification of Education (ISCED) level 0, 1, 2 or 3c short; (2) respondents declared not having received any education or training in the four weeks preceding the survey. Data comes from the EU Labour Force Survey.	12.7% (2012)	Below 10% (2020)
	<b>2</b>	<b>Tertiary education attainment</b>	The share of the population aged 30-34 years who have successfully completed university or university-like (tertiary-level) education that equals International Standard Classification of Education (ISCED) level 5 or 6. Data comes from the EU Labour Force Survey.	35.7% (2012)	At least 40% (2020)
Other targets	<b>1</b>	<b>Early childhood education and care</b>	The share of the population aged 4 to the age when the compulsory education starts who are participating in early education. Data comes from the UOE data collection.	93.2% (2011)	95% (2020)
	<b>2</b>	<b>Achievement in reading, maths and science</b>	The share of 15-year-olds failing to reach Level 2 in reading, mathematics and science as measured by the OECD's Programme for International Student Assessment (PISA).	Reading: 19.6% (2009) Maths: 22.2% (2009) Science: 17.7% (2009)	15% (2020)
	<b>3</b>	<b>Employment rate of recent graduates</b>	The share of employed people aged 20-34 having successfully completed upper secondary or tertiary education 1 to 3 years before the reference year of the survey and who are no longer in education or training. Data comes from the EU Labour Force Survey.	75.7% (2012)	82% (2020)
	<b>4</b>	<b>Adult participation in lifelong learning</b>	The share of the population aged 25-64 who stated that they received formal or non-formal education or training in the four weeks preceding the survey. Data comes from the EU Labour Force Survey.	9.0% (2012)	15% (2020)