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from:	Permanent Representatives Committee (Part 1)
to:	Council
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Subject:	Draft Council conclusions on the employability of graduates from education and training - <i>Adoption</i>

At its meeting on 25 April 2012, the Permanent Representatives Committee noted that there was now unanimous agreement on the abovementioned Council conclusions.

The Council is accordingly invited to adopt the conclusions on the basis of the appended text and to forward them for publication in the Official Journal.

Draft

Council conclusions on the employability of graduates from education and training

THE COUNCIL OF THE EUROPEAN UNION,

HAVING REGARD TO

- The Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ("ET 2020")¹, which given the importance of enhancing employability through education and training in order to meet current and future labour market challenges invited the Commission to present a proposal for a possible European benchmark in this area.
- The conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, of 18 November 2010 on the priorities for enhanced European cooperation in vocational education and training for the period 2011-2020², which emphasised that countries should promote partnerships between education and training providers, social partners and other relevant stakeholders in order to ensure a better transfer of information on labour market needs and to provide a better match between those needs and the development of knowledge, skills and competences.
- The Council conclusions of 14 February 2011 on the role of education and training in the implementation of the *Europe 2020* Strategy³, which stressed the importance for enhancing employability of the transition towards learning outcomes-based qualification systems and the greater validation of skills and competences acquired in non-formal and informal contexts.

¹ OJ C 119, 28.5.2009, pp. 2-10.

² OJ C 324, 1.12.2010, pp. 5-15.

³ OJ C 70, 4.3.2011, pp. 1-3.

- The Europe 2020 flagship initiative "*An agenda for new skills and jobs: a European contribution towards full employment*", which is aimed at enhancing the performance of education and training systems and seeking to equip young people with the relevant skills and competences for labour market needs.
- The Council conclusions of 17 June 2011 on promoting youth employment to achieve the Europe 2020 objectives⁴, which stressed that the European Social Fund has an important role to play in improving the employment prospects and skills levels of young people and implementing policies at the national, regional and local level in order to increase the labour market access and employability of young people.
- The Council conclusions of 28 November 2011 on the modernisation of higher education⁵, which called for efforts to strengthen links between higher education institutions, employers and labour market institutions in order to take greater account of labour market needs in study programmes, to improve the match between skills and jobs, and to develop active labour market policies aimed at promoting graduate employment.
- The 2012 Annual Growth Survey⁶, which calls on Member States to support in particular the employment of young people, including by promoting quality apprenticeships and traineeship contracts and by adapting education and training systems to reflect labour market conditions and skills demands.
- The Statement of the Members of the European Council of 30 January 2012⁷, which calls for efforts to stimulate employment, especially for young people, including by promoting their first work experience and their participation in the labour market, with the aim of ensuring that within a few months of leaving school young people receive a good quality offer of employment, continued education, an apprenticeship, or a traineeship.

⁴ 11838/11.

⁵ OJ C 372, 20.12.2011, pp. 36-41.

⁶ 17229/11 + ADD 1, 2 and 3.

⁷ SN 5/12.

RECALLING THAT

- Empowering young Europeans to acquire the knowledge, skills and competences needed to ensure a smooth transition to the EU labour market and to further develop their career prospects is more essential than ever, as the number of young jobseekers continues to rise steeply.
- The current economic crisis accentuates the importance of the education to work transition. Ensuring that young people leave education and training with the best possible support to obtain their first job is critical. Young people who face unemployment or a slow transition may experience long-term adverse effects in terms of future labour market success, earnings or family formation. This may in turn jeopardise public and private investment in their education and training, which results in a loss for society as a whole. This is particularly true in the context of demographic challenges, which put added pressure on Europe's increasingly scarce young people to integrate quickly and effectively into the labour market.
- Adding a benchmark⁸ on the share of employed graduates⁹ which focuses on the transition from education and training into the labour market would allow policy exchanges to be taken up within the "ET 2020" framework on measures to enhance the employability of graduates.

⁸ As outlined in the 2009 strategic framework for European cooperation in education and training, this is a reference level of European average performance which is not to be considered as a concrete target for each country to reach, but rather as a collective target which Member States are invited to contribute to achieving (OJ C 119, 28.5.2009, p. 7).

⁹ For the purpose of this text, the term "graduate" refers to any person who has left education and training with at least upper-secondary or post-secondary, non-tertiary qualifications (ISCED 3 to ISCED 4, excluding ISCED 3 C short), or with tertiary qualifications (ISCED 5 and 6).

TAKING INTO ACCOUNT THAT

- The share of employed graduates - that is to say, the share of the employed population aged between 20 and 34 years old who graduated 1, 2 or 3 years before the reference year and who are not currently enrolled in any further education or training activity - fell by almost 4.5 percentage points between 2008 (81%) and 2010 (76.5%).
- Sufficient data are already available to allow monitoring of the employability of graduates from education and training, without creating additional administrative burdens and costs for either Member States or Eurostat.¹⁰

ACKNOWLEDGES THAT

- Employability - that is, the combination of factors which enable individuals to progress towards or enter employment, to stay in employment and to progress during their career - is a complex concept, involving not only each individual's characteristics, skills, attitudes and motivation, but also other external factors which lie beyond the scope of education and training policy, such as labour market regulations, demography, the structure of the economy and the overall economic situation.
- Strengthening employability is a policy concern for all public authorities, including those responsible for education and training and for employment. At European level, it is a matter of relevance to the Europe 2020 strategy and the "ET 2020" framework.
- Education and training's support for the employability of young people is partly covered by the relevant Europe 2020 headline targets and existing "ET 2020" benchmarks, such as those on tertiary educational attainment, early leavers from education and training, adult participation in lifelong learning and low-achievers in reading, mathematics and science.

¹⁰ Towards a Benchmark on the Contribution of Education and Training to Employability: (Methodological note EUR 24616 EN 2011).

- The transition from education and training to employment is not yet addressed, however, within the current monitoring framework. In this phase, the contribution of education and training systems to the employability of graduates could for instance be made through career guidance and counselling, through stronger links between education and training institutions and relevant stakeholders, through the alignment of curricula with labour market needs, through strengthening entrepreneurship education, through placements in companies, through more transparent information on learning outcomes and through more responsive education and training policies which reflect labour market skills needs, and through encouraging all young people to pursue their studies beyond general upper-secondary education. Attention should also be paid to the employability of young people with special needs on the labour market.
- The development of a European benchmark on the share of employed graduates would help to identify education and training policies which improve the transition between education and training and work and help to boost employment success. A European benchmark measuring the share of employed graduates, accompanied by relevant analysis on the qualitative aspects such as the match between the supply of knowledge, skills and competences and the occupation obtained up to three years after graduation, would also help to enhance European cooperation on policies in the field of education and training which focus on the transition from education and training to work. It would help to monitor the progress of Member States towards the increased employability of graduates, as well as to identify examples of good practice and support the development of peer-learning initiatives.

INVITES THE MEMBER STATES,

while taking account of the different situations in individual Member States,

- (1) To adopt measures at national level which are aimed at increasing the employability of graduates leaving the education and training system, with a view to achieving the European benchmark as outlined in the Annex hereto, whilst also promoting the match between educational attainment and occupation.
- (2) On the basis of the available sources and tools, to monitor the share of employed graduates from education and training, with a view to enhancing the evidence base for policy development on the interface between education and training on the one hand and work on the other hand, as outlined in the Annex.
- (3) To promote the implementation and use of EU programmes, tools and frameworks designed to support employability, mobility and lifelong learning, including Europass, Youthpass, EQF, ECTS, ECVET and EQAVET.
- (4) To enhance cooperation between education and training institutions and relevant stakeholders in the world of work at local, regional and national level, with a view to promoting apprenticeships, internships and placements in companies during the earliest phase of transition from education and training to the labour market.

INVITES THE COMMISSION TO

- (1) Examine, in particular through the annual Education and Training Monitor and the Joint Report on the implementation of the “ET2020” strategic framework, the degree to which the European benchmark is being achieved.

The Education and Training Monitor will also provide information on the European benchmark as regards early school leavers, although this target group is not included in the set objective.

- (2) Enhance European cooperation on policy development in the field of education and training for employability through the analysis and monitoring of such education and training, including by:
 - examining the specific impact of education and training policies on the transition from education and training to work;
 - analysing the quality of first jobs by matching educational attainment and job content, including the match between the supply of knowledge, skills and competences and the occupation pursued during the three first years on the labour market.
- (3) Cooperate closely with other relevant international institutions, such as the ILO, OECD and UNESCO, in order to exchange analyses and expertise on the transition of graduates to the labour market.

AND INVITES THE MEMBER STATES AND THE COMMISSION TO

- (1) Collect qualitative information and examples of good practice aimed at complementing the quantitative monitoring and enhancing the foundation for evidence-based policy making, using mainly existing sources, including the "ET2020" reporting arrangements.

- (2) Identify examples of good practice in the Member States concerning the smooth transition from education and training to work by setting up an expert group on the transition of graduates from education and training to the labour market, thereby contributing to the "ET2020" priorities. The group should consist of national experts appointed by the Member States and experts representing the relevant social partners appointed by the Commission, and should, with due regard to subsidiarity:
- (i) examine how to incorporate more practical elements into education and training, for instance through applied learning or dual education, as a way of enhancing the employability of graduates;
 - (ii) consider - in close collaboration with the Indicators Group of the Employment Committee and the Standing Group on Indicators and Benchmarks - the most suitable indicators for monitoring which education and training policies might help boost the employability of graduates;
 - (iii) report back to the Council on the outcomes of its work by the end of 2014 in the report on the implementation of the "ET2020" strategic framework.
- (3) Develop, in cooperation with appropriate bodies in the areas of education and training and employment (including the Employment Committee), peer-learning activities on the transition phase from education and training to work.
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**A REFERENCE LEVEL OF EUROPEAN AVERAGE PERFORMANCE
("EUROPEAN BENCHMARK")
ON THE SHARE OF EMPLOYED GRADUATES FROM EDUCATION AND TRAINING**

As a means of monitoring progress and identifying challenges, as well as contributing to evidence-based policy making, the Member States agreed in 2009 that reference levels of European average performance ("European benchmarks") should support the objectives outlined in the Council conclusions which they adopted on 12 May 2009 on a strategic framework for European cooperation in education and training¹¹. Agreement was reached at the time on five European benchmarks and a request submitted for the Commission to submit proposals on further benchmarks, including one in the area of employability.

Having examined the proposals contained in the Commission staff working paper of 24 May 2011¹², the Member States also now agree to the following benchmark on the share of employed graduates from education and training. The benchmark complements those already adopted in May 2009 and the one on learning mobility adopted by the Council in November 2011¹³. As such, it should be based solely on existing comparable data. It should take account of the different starting points of individual Member States and the various possibilities they have for enhancing performance through education and training policies. It should not be considered as a concrete target for individual countries to reach by 2020. Rather, Member States are invited to consider, on the basis of national priorities and whilst taking account of changing economic circumstances, how and to what extent they can contribute to the collective achievement of the European benchmark in the area outlined below through national actions.

¹¹ OJ C 119, 28.5.2009, pp. 7-8.

¹² Doc. 10697/11.

¹³ OJ C 372, 20.12.2011, pp. 31-35.

BENCHMARK ON THE SHARE OF EMPLOYED GRADUATES FROM EDUCATION AND TRAINING

Employability - that is, the combination of factors which enable individuals to progress towards or enter employment, to stay in employment and to progress during their career - is a complex concept, involving not only each individual's characteristics, skills, attitudes and motivation, but also other external factors which lie beyond the scope of education and training policy, such as labour market regulations, demography, the structure of the economy and the overall economic situation.

Against this background, and with a view to highlighting what education and training policies can do to boost employment success and to increasing the employability of graduates¹⁴ who are not currently enrolled in any further education and training activity, Member States accordingly agree to the following benchmark:

¹⁴ For the purpose of this text, the term "graduate" refers to any person aged 20-34 who has left education and training with at least upper-secondary or post-secondary, non-tertiary qualifications (ISCED 3 to ISCED 4, excluding ISCED 3C short), or with tertiary qualifications (ISCED 5 and 6).

By 2020, the share of employed graduates¹⁵ (20-34 year olds)¹⁶ having left education and training no more than three years before the reference year should be at least 82% (as compared to 76.5 % in 2010).¹⁷

The target level refers to an EU average and does not constitute a national target for individual Member States.

¹⁵ The 1997 International Standard Classification of Education (ISCED) classifies educational activities in 7 broad levels, where ISCED 0-2 and 3C short cover lower secondary education. In the estimation of appropriate levels for the 2020 target, only two levels of graduates are considered, namely graduates with upper-secondary education attainment (ISCED 3), post-secondary, non-tertiary (ISCED 4) and tertiary education attainment (ISCED 5-6). Those who graduated from general upper-secondary education (ISCED 3A) should be encouraged to participate in further education and training. The group of graduates with less than upper secondary attainment (ISCED 0-2 and ISCED C3 short) was excluded from the estimation due to small sample size (in the 20-34 age group there are only few recent school leavers with less than upper-secondary education), and due to the fact that already in 2003 Member States agreed to reduce early leavers from education and training to less than 10% of all 18-24 year old (a target confirmed by the Europe 2020 strategy).

¹⁶ The lower bound of 20 years was selected to align with the new age bracket introduced with the employment rate headline target of the Europe 2020 strategy (i.e. 20-64). Given that across Europe the majority of pupils complete their upper-secondary education (ISCED 3, excluding ISCED 3C short) and post-secondary, non tertiary education (ISCED 4) between the age of 18 and 20, this lower age bound is expected to allow analysing the employability of that cohort 1, 2, and 3 years after the completion of their degree. The upper bound of 34 years old was in turn chosen in correspondence with the current benchmark on tertiary attainment, which is measured on the 30-34 year-old cohort. Again, this upper bound should therefore ensure an optimal coverage of the newly graduated population from tertiary education (ISCED 5-6).

¹⁷ Measured as the share of the employed population aged between 20 and 34 years old who graduated 1, 2 or 3 years before and are not currently enrolled in any further education or training activity. Individuals currently engaged in any form of education or training are excluded to ensure that the employability of that cohort may not be altered by the fact that the individual is currently engaged in an updating/upgrading of his /her skills. Given the lack of longitudinal data to measure precisely the flow of graduates into employment, the average over the three year-end points following graduation is used. This approach helps to smooth out the possible impact of short unemployment periods which are common in the early years of employment.

The benchmark should allow for a breakdown according to specific sub-populations. There should in particular be a disaggregation of data based on ISCED¹⁸ levels, educational orientation and the field of education and training which would allow, for example, a distinction to be drawn between the performance of upper-secondary graduates as they emerge from general education or from vocational education and training, and between the performance of higher education graduates according to the field of education and training.

Moreover, an analysis of the extent to which education and training fields and levels match the types of occupation which graduates pursue during their first years of employment should be undertaken and could be based on the ISCED-measured educational attainment.

The above benchmark will be examined and assessed by Member States and the Commission as part of the "ET2020" Joint Report in 2014, in order to decide whether a revision of the indicators is needed.

¹⁸ As indicated above, the current 1997 International Standard Classification of Education (ISCED) classifies educational activities in 7 broad levels from 0 to 6. ISCED 2011 will be implemented in 2014 with 9 levels in all EU education data sources. This implies that tertiary education will be further differentiated into Bachelor, Master and Doctorate level and that the boundaries between lower and upper secondary education will be better defined.