



EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Report of the seminar of the European Network of Education Councils,

Limassol, 31 May -1 June 2010

with the support of the European Commission

DG Education and Culture

Brussels, August 2010

EUNEC secretariat, Kunstlaan 6, bus 6, 1210 Brussels + 32.2.219 42 99

www.eunec.eu

INTRODUCTION

EUNEC is the **European Network of Education Councils**. Its members advise the governments of their countries on education and training. EUNEC aims to discuss the findings and recommendations of all European projects in education and training, to determine standpoints and to formulate statements on these issues. EUNEC wants to disseminate these statements pro-actively towards the European Commission, relevant DGs and other actors at European level, and to promote action by EUNEC's members and participants at national level. EUNEC also has the objective that the councils should put internationalization and mobility high on the national agenda, that they should recommend and support a European policy in education and training towards all relevant stakeholders: ministry of education (and employment), sectoral and branch organizations, providers and other actors.

From 2008 EUNEC has been **subsidized** as **European Association acting at European level in the field of education** (Jean Monnet programme). This conference is organized with the support of this grant.

PROGRAMME

Monday 31 May 2010

09.00 – 10.00 h Opening session

09.00 – 09.30 h Welcome by Simone Barthel, EUNEC president

Welcome by Olympia Stylianou, Permanent Secretary at the
Ministry of Education and Culture

09.30 – 10.00 h Investing in Education, the case of Cyprus, by
Professor Elpida Keravnou, president of the Governing
Board of the Cyprus University of Technology

The economic and social benefits of investment in education and training

It is remarkable to which extent education is recognized as prominent in the reliance plans combating the economic crisis. It is becoming common knowledge that education is a key factor in the development of human capital and is a key lever for recovery. The extent and the quality of education and training both of youngsters as of adults become important strategic instruments for decision makers. Dealing with changing competences and maintaining qualification levels adequate towards new societal developments are vital.

Important developments:

- The Pittsburgh meeting of the G 20. The leaders of the G 20 called for the development of a global training strategy to address the job crisis.
- The US\$789 billion American Recovery and Reinvestment Act (ARRA) of February 2009 is aimed at providing a platform for early recovery and protecting the social and economic infrastructure, with education a high priority. ARRA has attempted to turn the threat to education posed by the recession into an opportunity.
- The work done by OECD labour ministers in October 2009. The 2010 OECD meeting of education ministers will discuss the consequences of the economic crisis for education and training systems and the possibilities to review them.
- The communication on the renewal of the Lisbon strategy, called Europe 2020.

10.00 h – 11.00 h Interactive session: the economic and social benefits of investment in education and training, from the perception of education councils.

Chair: **Simone Barthel**, EUNEC president.

Introduction by **Prof. dr. Henriette Maassen van den Brink**, Professor of Education and Labour Economics (University of Amsterdam), Professor of Evidence Based Education (University of Maastricht):

11.00 – 11.30 h Coffee break

11.30 – 12.30 h The economic and social benefits of education, by Prof. dr. Henriette Maassen van den Brink

12.30 – 13.00 h Questions from the audience

13.00 – 14.30 h Lunch break

How to enhance effectiveness and visibility of impact?

In the perspective of investing in education and training in a context of shrinking budgets, governments and international organizations are paying more and more attention to international comparisons and effectiveness. They want to ensure that education policies enhance the economic and social prospects of individuals, deliver value for money. Countries pay more and more attention to the development and analysis of quantitative and qualitative analysis of the outcomes of education and training.

These indicators play a major role in the accountability of the education and training systems towards the society and this in two directions: as a justification of the used resources and as a way to analyze effectiveness and problems.

14.30 – 15.30 h Education and training: the chance of equity, by **Anders Hingel**, European Commission, DG Education and Culture, Head of Unit, Analysis, statistics and indicators; coordinator of the report 'Progress towards the Lisbon objectives in education and training. Indicators and benchmarks. 2009'.

15.30 – 16.00 h Coffee break

16.00 – 16.30 h Questions from the audience

16.30 – 17.30 h Interactive session, chaired by **Mia Douterlungne**, EUNEC General Secretary: A reflection on benchmarks.

20.00 – 23.00 h Conference dinner, kindly offered by the host council

Tuesday 1 June 2010

Education and budgetary restrictions

09.00 – 10.00 h **Overview of EI's work and findings from the survey on the impact of the crisis**, by **Mireille De Koning**, professional assistant within the Research Unit at Education International (Global Union Federation representing education workers)

10.00 – 10.30 h **The Portuguese case**, by **Manuel Miguéns**, Secretary General of the Conselho Nacional de Educação (Portugal)

10.30 – 11.00 h **Reflections and input from other education councils**

11.00 – 11.30 h **Coffee break**

11.30 – 12.30 h **Preparation of the statements on education and training in a period of economic crisis**

12.30 – 14.00 h **Closing lunch**

Opening Session

WELCOME

Olympia Stylianou, on behalf of the Minister of Education and Culture, Andrea Demetriou

Olympia Stylianou is Permanent Secretary at the Ministry of Education and Culture.

"I would like to welcome all the participants in this European Network of Education Councils (EUNEC) Seminar, express my appreciation for your presence in this event hosted by the Cyprus Education Council and congratulate you for the selection of its topic.

The provision of qualitative education has always been a major priority for the state and the society of Cyprus. In 2008 public expenditure on education constituted approximately 7.5 % of GDP in Cyprus, which ranks among the top European Union countries in this respect.

In an effort to respond to the numerous socio economic, political and cultural changes that have affected our education system, the Government of the Republic of Cyprus has initiated an ambitious Educational Reform Programme, inviting dialogue among all stakeholders. Our ambition is to turn into reality the vision of modernising the educational system. The main objective is to create a democratic and student-focused educational system, which includes all students irrespective of social, racial or ethnic background, gender, physical or mental ability and offers high quality education to each student. According to the plan, set by the President of the Republic Demetris Christofias, special emphasis is laid on the creation of a school which responds effectively not only to the needs of our children but also to the new European realities and the needs and demands of the 21st century hinged upon universal values and ideals.

The Cyprus Education Council was set up as part of this process for the reform of the education system. As you probably already know, it is chaired by the Minister of Education and Culture and includes the Ministry's Permanent Secretary, the President of the Education Committee of the Parliament and representatives of the major political parties of the country. Its role is advisory and its major priority is the enhancement of the implementation of the education reform at all levels and in every aspect of the education system.

The Education Council coordinates and monitors the dialogue among all the major stakeholders involved in education. Furthermore, it is responsible for setting the priorities for the dialogue, establishing technical committees or appointing experts for the

preparation of reports and studies on various issues within the framework of the educational reform and the work of two sub-councils that have also been established: the Primary and Secondary Education Council and the Higher Education Council. The Council also submits recommendations to the Council of Ministers, through the Ministry of Education and Culture, for the formulation of educational policy, in the light of the outcomes of the work done by the technical committees and the two sub-councils.

Dear Friends,

For the present government the domain of education and training constitutes the best investment for progress in the socio economic and cultural domains. A high-quality education system is a means of supporting economic prosperity and development, thus strengthening social inclusion and cohesion; the achievement of our goal and vision will be the outcome of the Educational Reform which will bring radical changes to the educational system as we know it today.

We are convinced that the field of education can significantly aid the general development of society. The current economic crisis and the consequent need for substantial financial cuts and shrinking budgets should not become an obstacle in the investments in education and the implementation of the educational reform. For this reason, education stands among the priority areas of the Government's Financial Stability Programme 2009-2013 and the available budget is not expected to decline substantially.

The economic crisis has provided a drive for our Ministry to optimize the efficiency of available resources in order to continue our efforts without any compromises or reductions to quality. The implementation of educational reform proceeds as planned without any delays, as a result of efficient reallocation of the available budget.

In this context is it our firm belief that we should combine our efforts for strengthening the role of education and training and develop cooperation at a European level in order to meet contemporary challenges. There is need for all of us to work together in a spirit of international understanding and cooperation, joining our efforts and potentials to bring about socio economic development to our societies. In this quest for achieving quality in education I am certain that networks like EUNEC play a significant role.

I wish every success in your deliberations and to all of our foreign guests an enjoyable stay in Cyprus.

INVESTING IN EDUCATION: THE CASE OF CYPRUS

Professor Elpida Keravnou Papailiou

Professor Elpida Keravnou is President of the governing Board at the Cyprus University of Technology.



In her contribution, Professor Keravnou gives facts and figures, focuses on current educational reforms in Cyprus, goes into some more details in the field of Higher Education, and of research, innovation and growth.

Some facts and figures for Cyprus

The economic situation

In 2009, growth has decelerated from very high levels the previous year. GDP has contracted by about 1.7% due to poor export performance, failing investment – particularly in construction – and a significant negative stock adjustment. The general government deficit is around 6% of GDP. Without corrective measures, the deficit would widen further in 2010.

The Stability Programme 2009-2013

The current international economic crisis has primarily affected the construction, real estate and tourism sectors, which are sectors of major importance for Cyprus.

The Stability Programme envisages stabilization in 2010 with a modest growth of some 0.5% compared with 2009. High priority areas are infrastructure, mainly in transport, education and health.

Education Units

In Cyprus, there are

- 316 public and communal nursery schools

- 347 primary schools
- 9 schools for children with special needs
- 114 secondary schools
- 397 adult education centres
- 25 colleges for tertiary education
- 6 universities

There is a rapid growth in Higher Education.

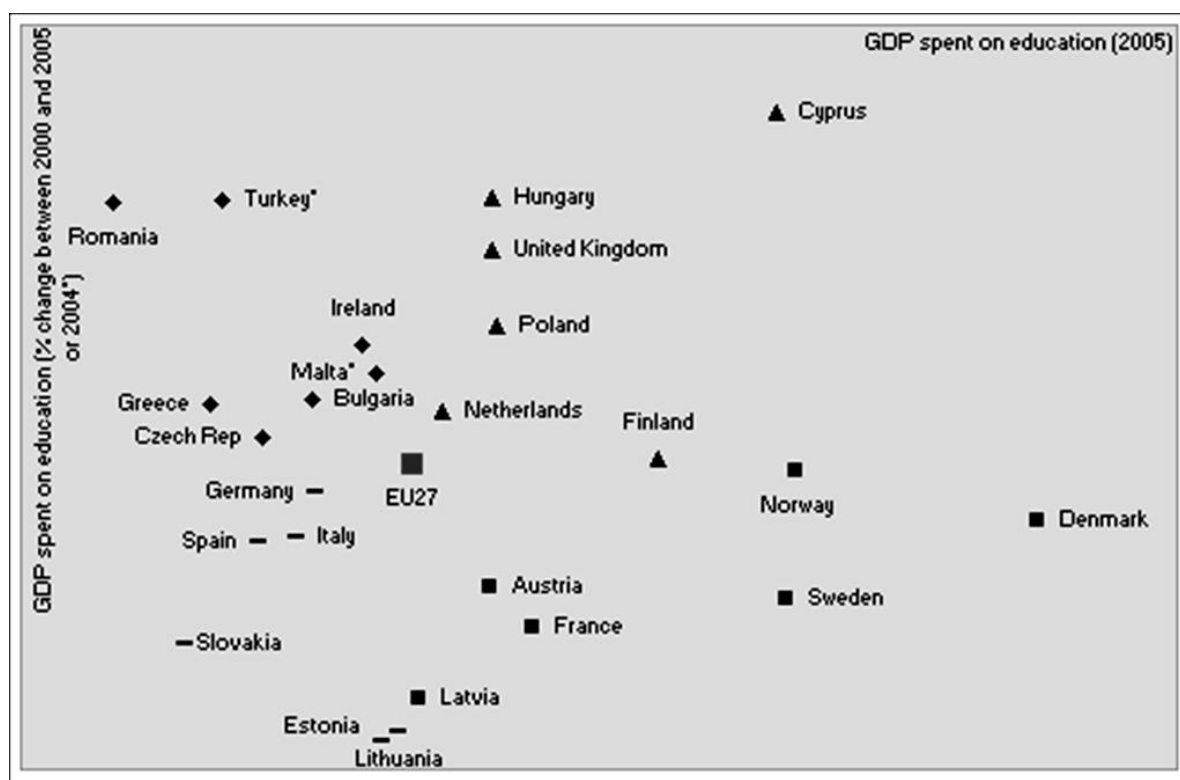
Private Education Provision

The private education provision is increasing due to the increasing demand. Actually, 7% of elementary students go to private schools, 17.5% of secondary school students go to private schools.

Investment in education

In the main messages under 'Investment in education and training' of the official report on the progress of the Lisbon strategy, we read that Denmark, Sweden and Cyprus allocate nearly 7% of their GDP into public investment in education. These are the highest levels in the European Union and among the highest in the world; the European Union average on public investment is 5 %. Moreover, private investment in education is increasing in the European Union, but it is only significant in the UK, Germany, Cyprus, where it reaches up to 17%.

Public expenditure on education as a % of GDP in the EU (2005)



The total expenditure on education is budgeted to increase by approximately 3% in 2010 compared to 2009, reaching approximately 8% of GDP.

Expenditure is mainly focused on

- ICT in all primary and secondary schools
- Construction and/or extension of school buildings
- Financing of agreement with HSPH
- Upgrading research and academic institutions

Quality in education

If we invest, the main aim is to deliver quality. The progress in improving quality and extension of education in above areas in 2009 was considered satisfactory.

Professor Keravnou makes a parenthesis referring to the Commission's Key Messages for Reforms to achieve high quality education and training, to have systems that are both efficient and equitable.

- Establish a culture of evaluation, not in the sense of control but in the sense of self awareness and as a source of continuous self improvement
- Invest in pre-primary education
- Autonomy and accountability systems for improving efficiency: two faces of the main coin.
- Private funding in ensuring equity in higher education
- Clear pathways to further learning and employment

Higher Education Qualifications

According to the official report on the progress of the Lisbon strategy, amongst the 27 Member States, Cyprus has the highest percentage (29.7%) of population in the age group 25-64 with Higher Education qualifications. Cyprus, Malta and Ireland are the three Member States with the highest progress in the period 2000-2007, regarding the percentage of their population with Higher Education qualifications. There is a central progress indicator.

Student Migration

Cyprus has a high student migration. More than half of its approximately 35.000 students are studying at universities abroad – in spite of the fact that there are 6 universities in Cyprus. Government policy aims to reverse this situation and in addition to attract international students. They want to convert Cyprus to a regional centre for quality Higher Education.

Research Expenditure

According to Eurostat in 2007, Cyprus was listed last amongst the EE countries regarding expenditure/investments in research, technology and innovation: 0.45 % GDP (public and private expenditure), whilst the EE average is 1.85% GDP, and the Lisbon target is 3% GDP.

In 2008, there has been satisfactory progress in almost all research sector priorities:

- Increase of investment in Research and Development
- Enhancement of human capital in research
- Development of international cooperation.

The contribution of industry to Research and Development showed an increase in absolute terms, but remained at low percentage levels.

Main Research Progress

Gross domestic expenditure on Research and Development increased from € 61,3 mln in 2006 to € 70,1 mln in 2007. This means a considerable increase of 14,2 %, amongst the highest in EU27. With respect to GDP, the % increase was only 0.02 %.

The number of human resources employed in research (Full Time Employed) increased by 1,5%: 1244 in 2007, compared to 1226 in 2006. The number of researchers increased by 7%. The percentage of women participating in research activities remained at 38% of the total number of researchers.

Educational reforms in Cyprus

The last five years, major efforts have been done in Cyprus in the following fields:

- Modernizing the structure and the content of education: the formation of new curricula at primary and secondary level is considered the pedestal on which to build the reforms.
 - A proposed new system for teacher evaluation.
 - The incremental reconstruction of the Ministry of Education and Culture.
 - The specification of policy regarding English speaking students.
 - Infrastructure upgrading.
 - The subsidization of laptops to all students in the second class of Gymnasium.
 - Various measures to improve the daily running of schools.
 - Decentralization of school units.
- Continuous training and professional development of teachers; the teacher profession is highly prestigious and well paid.
 - Incrementally introducing the all day school. Many jobs will be generated. Still, the economic crisis has deferred its implementation to the future.
 - ICT and e-learning.

In the field of Higher Education:

- Student care package (€ 12 mln), to enhance social cohesion.
- Legislation for controlling the tuition fees of private universities is under way.
- Introducing new programmes of study, departments and faculties (Faculty of Medicine; Department of Rehabilitation Sciences).

Higher Education in Cyprus

Higher Education has a relatively short history in Cyprus. It only lasts for about 20 years, but growth has been rapid.

There are three state universities:

- The University of Cyprus (foundation 1989; first student 1992)
- The Open University of Cyprus (foundation 2003; first student 2006)
- The Cyprus University of Technology (foundation 2003; first student 2007)

There are three private universities (foundation 2005; first student 2007), currently operating under probationary license.

Cyprus signed the Bologna Declaration in 2001.

The scorecard for the Bologna Process Stocktaking 2009, with 9 levels:

The degree system

1. Stage of implementation of the first and second cycle
2. Access to the next cycle
3. Implementation of national qualifications framework

Cyprus always had the three cycles system; concerning implementation of national qualifications framework: not much has been done so far.

Quality assurance, ESG

4. Stage of development of external Quality Assurance system
5. Level of student participation in Quality Assurance
6. Level of international participation in Quality Assurance

For point 4, legislation is under development. The level of international participation in Quality Assurance is high.

Recognition

7. Stage of implementation of diploma supplement
8. National implementation of the principles of the LRC
9. Stage of implementation of ECTS
10. Recognition of prior learning

The stage of implementation of ECTS: it is adopted, but improvement has to be done.
For point 10, Cyprus has not done much so far.

External Quality Assurance and Recognition

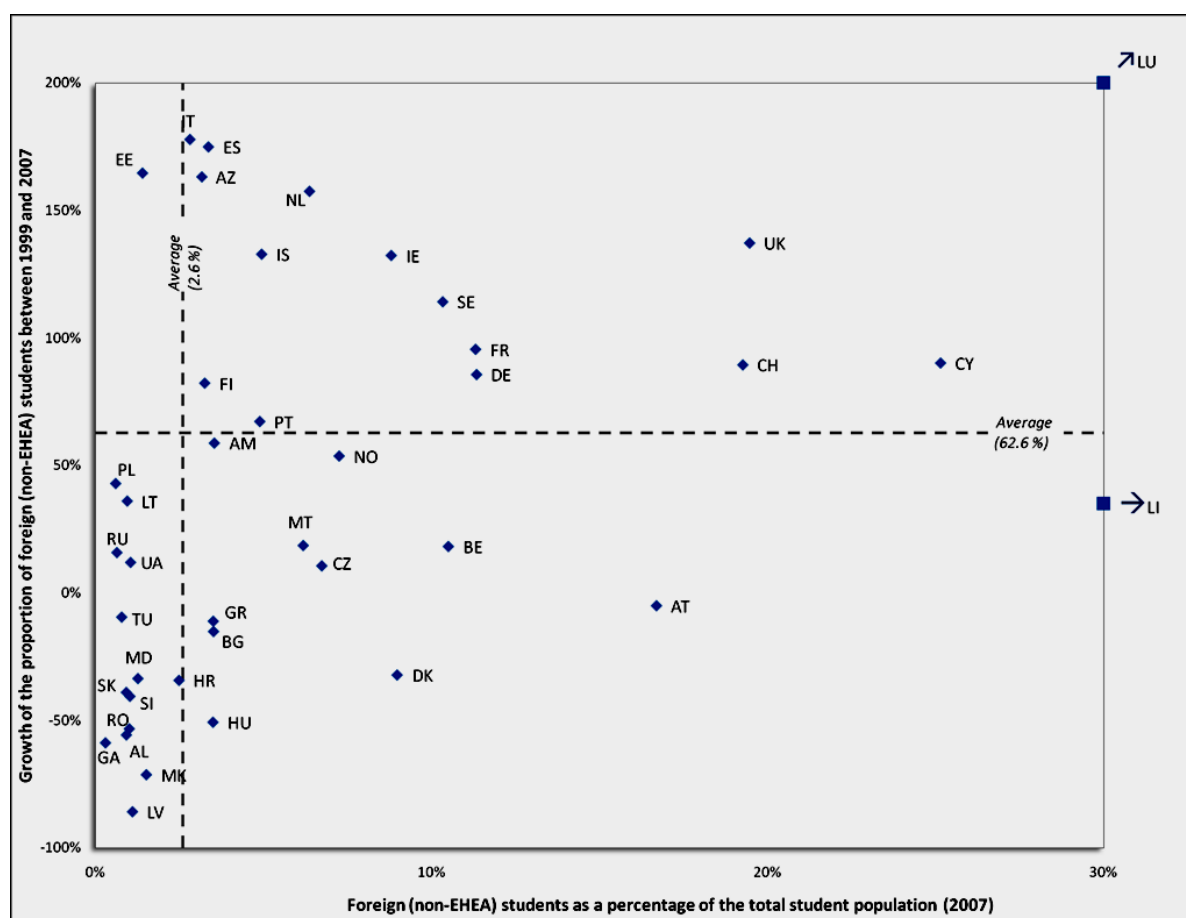
There are several external Quality Assurance and Recognition bodies:

- The Evaluation Committee for private Universities
- The Council for Educational Evaluation and Accreditation
- The Cyprus Council for the Recognition of Higher Education Qualifications.

At this moment, legislation is under way for the establishment of a Cyprus Quality Assurance and Accreditation Agency, encompassing the above bodies.

Proportion of foreign students

In the chart we see that Cyprus is above the average. However, we have to be careful with the interpretation of the figures. Mostly, those 'students' are not even in the Cyprus universities: they often come as students but then disappear in other sectors.

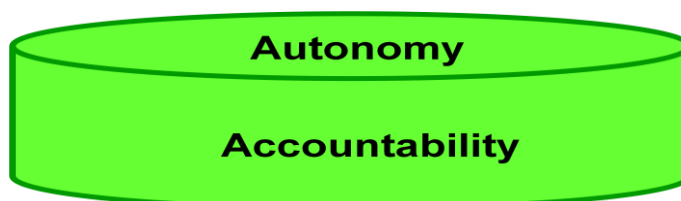


Cuts in Higher Education

There are substantial cuts in this year's budgets for the public universities and analogous cuts are planned for the next two years. The cuts are primarily aimed at operational costs and not at developmental expenditure. A number of new positions for academic and administrative staff have been approved.

In a parenthesis, Professor Keravnou refers to the EUA Report (2008), which is urging the universities to identify the real costs of their activities. In order to have full costing, you need to collect all data. The quality of database and information systems influences the time, effort and investment needed for the implementation of full costing.

Funding, autonomy and accountability are three interrelated concepts. Autonomy is one of the conditions that underpin the implementation of full costing. More autonomous universities are better able to attract funds from different sources and more international funding. On the other hand, full costing is one of the key pillars of accountability: universities can prove to funders, students, taxpayers and society at large what their money is spent on.



Research, innovation and growth

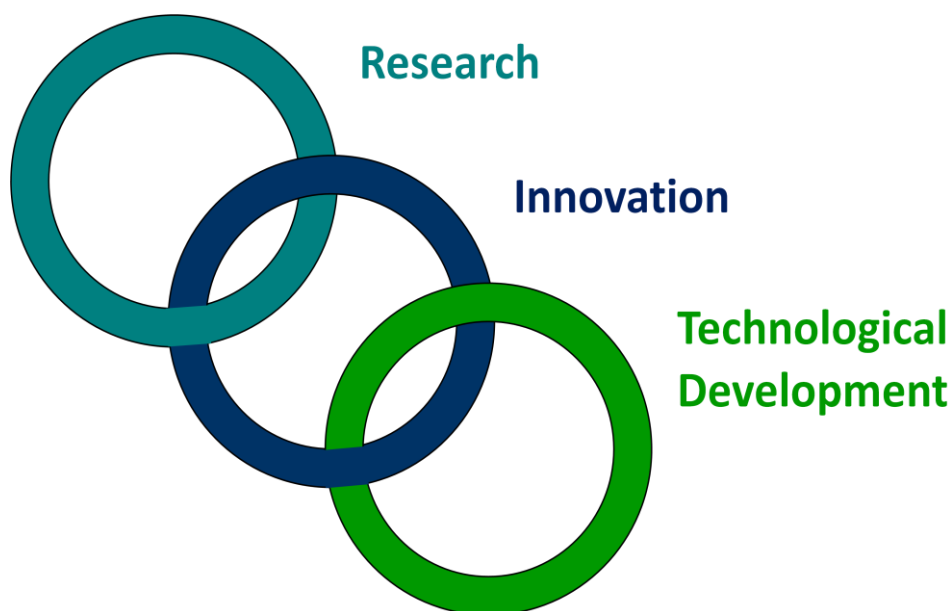
In the field of innovation, according to the European Innovation Scoreboard 2008 (Strengths and Weaknesses Report), Cyprus improved considerably its position since 2008, moving from 24th to 13th.

The two measures 'Research and Technology Mediation System' and 'Thematic and Innovation Networks' are expected to significantly improve cooperation links between research organisations and enterprises.

Liaison offices between all six universities and industry have been recently established utilizing European Union structural funds.

As for the Science and Technology Park, the feasibility study is completed. Necessary land for its housing has been expropriated, and an access road to the park has been constructed.

The Cyprus foundation for the Promotion of Research is being restructured: a governing board, a scientific academic board are being installed. Priority areas for research are being defined.



This chain has significance for countries with a vision to become knowledge economies. The strength cannot exceed the strength of the weakest of the chain. Technologically developed countries undoubtedly have a competitive advantage.

Concluding remarks

In spite of the economic crisis facing Cyprus, the education budgets for 2009 and 2010 show increase.

The government continues with the planned, major educational reforms, albeit with reduced speed in the case of some reforms.

Regarding research and innovation, there is progress but there is still substantial ground to be covered.

In times of economic hardship, financial sustainability can be obtained by promoting long term growth. Education and research are the two pillars to build on.

The economic and social benefits of investment in education and training

THE WIDER BENEFITS OF EDUCATION

Henriette Maassen van den Brink

Henriette Maassen van den Brink is professor of Economics (Research fields in the area of Education, Health Economics, Labour Market and Economic Development) at the Faculty of Economics and Econometrics at the University of Amsterdam, and professor of Evidence based Education at Maastricht University. She is the Scientific program-Director of 'SCHOLAR', a research institute on 'Schooling, Labour Market and Economic Development' and since 2008 of TIER (Interuniversity Top Institute for Evidence based Education Research).



As author and co-author, she published several monographs, more than 160 articles in international and national journals, more than 200 reports and contributions to books and columns. She was a visiting professor at Stanford University, Cornell University, Columbia University, and the European University Institute.



Professor Maassen starts the presentation referring to an important remark of the founding father of economy, Adam Smith (1776):

"A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, may be compared to an expensive machine. The work which he learns to perform, it must be expected, over and above the usual wages of common labour, will replace to him the whole expense of his education, with at least the ordinary profits of an equal valuable capital."

(from: Inquiry into the Nature and Causes of the Wealth of Nations, p. 118)

Very often, people talk only about the costs of education, and not about the benefits. We all know about the expenditure, but we know little about the returns, the added value. The question of the added value of education is the most important question in times of economic crisis.

The benefits of education

Talking about the benefits of education, we can define different types of benefits.

Individual returns: the benefits for the individual who invests in education.

Social returns: the benefits for others in society (productivity, tax revenues, externalities).

Monetary returns: the earnings effects of education.

Non-monetary returns: the non-earning effects of education (health, citizenship etc.).

The welfare effect: the effect on happiness and life satisfaction.

All kinds of combinations of returns are possible:

Non-monetary individual benefits of education have to do with

- Health and life expectancy
- Unemployment and disability
- Social capital (social participation, trust in others in society)
- Happiness and life satisfaction.

Non-monetary social benefits of education are linked to

- Social cohesion
- Cultural diversity and development.

Monetary social benefits of education:

- Additional tax revenues generated by higher educated.
- Externalities: spill-over effects of higher to lower educated.
- Social savings (or costs) on publicly financed goods and services, such as health care, policing, justice department, incarceration, social security expenditures, cultural services, tax subsidies.

The main question is what we know about the causal effect between education and the wider benefits. How robust is the evidence? Are the effects merely correlations or associations, are there common factors that cause both (f.i. genetic endowment) or is there a truly causal effect?

Private returns of education: Meta analysis return to a year of education (Ashenfelter et al, 1999)

Most is known about the private monetary returns of education, about the income or wage effects of education, the income or wage effects of training (years of schooling).

Orley Ashenfelter, Colm Harmon & Helle Oosterbeek published 'A review of estimates of the schooling/earnings relationship, with tests for publication bias', in Labour Economics 6 (1999), p. 453-470.

It was a meta-analysis of 27 studies, 96 observations of the rate of return for 9 countries.

Their conclusion is that the **rate of return of a year of education is 7–9 %**. The rate of return is higher in the United States than in other countries. And the rate of return has increased during the past twenty years.

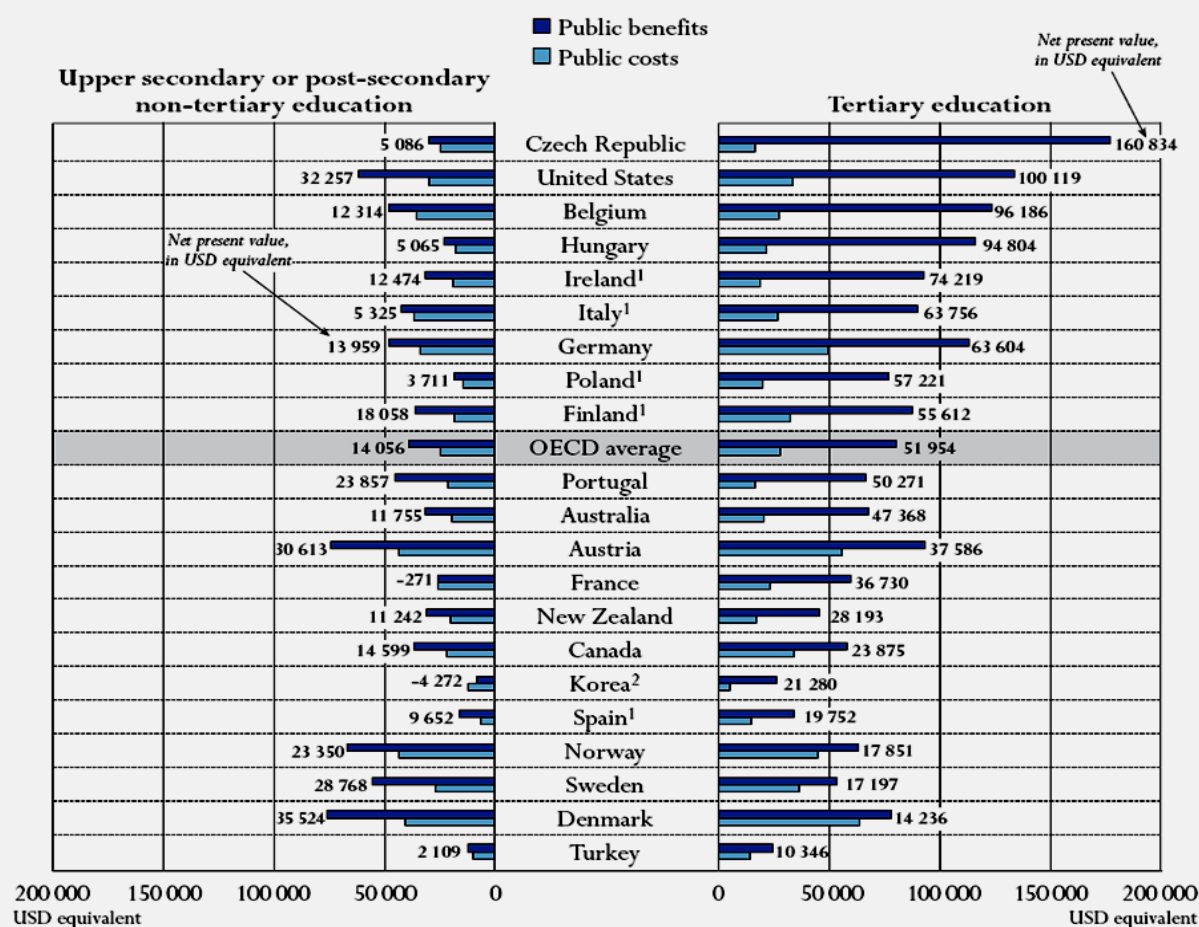
Little is known about the returns for specific types of schooling, and that, of course, is an important question for the education sector.

Monetary social benefits of education

According to the OECD 'Education at a Glance 2009' (in which the Netherlands are not included), the present value of the social costs and benefits is: (for men, the OECD average)

- Higher secondary education: \$ 14.000
- Tertiary secondary education: \$ 52.000

Chart A8.5. Public cost and benefits for a male obtaining upper secondary or post-secondary non-tertiary education and tertiary education (2005)




1. Year of reference 2004.

2. Year of reference 2003.

Cash flows (components) are discounted by 5% interest rate.

Countries are ranked by descending order of the public net present value obtaining tertiary education.

Source: OECD, Table A8.3 and Table A8.4. See Annex 3 for notes (www.oecd.org/edu/eqq2009).

StatLink  <http://dx.doi.org/10.1787/664146203473>

The only countries where the costs seem to exceed the benefits are Korea and France. In all the other cases, the returns are positive

As we can see in the chart, social benefits for tertiary education are higher than for secondary education! This is a strong incentive to expand higher education, either through public or private education.

According to OECD, the **social returns are higher than 5%.**

According to a review study by Lange & Topel (2006), social returns are even higher: **between 6 and 9%.**

External effects of education

Lower educated earn more in cities with more higher educated.

- According to Moretti (1998, 2002), an increase in people with greater skills raises the productivity of whom they interact with (1% increase in share of higher educated workers increases 1 – 2 % higher wages of lower educated workers).
- According to Krueger & Lindahl (1998), more higher educated workers lead to more technological progress and raises productivity.

The wider benefits of education

Social savings on publicly financed goods and services

Conclusions according to estimates on social savings as a result of 1 extra year of schooling (Groot & Maassen van den Brink, 2003):

In the field of social savings:

- Higher educated are less likely to be unemployed, have a higher chance to find a job after unemployment and have a lower risk of disability.
- Higher educated are healthier and make less use of GP, medical specialists and hospital.
- If controlled for health status, use of health care facilities is higher among higher educated.
- Higher educated use more ambulatory mental health care.

In the field of policing, law enforcement:

- Higher educated are less likely to be convicted of violent crimes.
- Tax fraud increases with schooling years, though.

Individual non-monetary returns

Higher educated live longer: the average life expectancy of higher educated is 5 years longer for men and 2.5 years longer for women, in the Netherlands.

Higher educated are healthier. They have a healthier life style: they smoke less, they have less overweight and obesity. They consume more alcohol on average though.

The available evidence on the causal effect of education on health support the above mentioned conclusions.

	Welfare effects of a year of education		Social savings of a year of education for society
	For individuals	For society	
Effect of years of education			
health	300-1380 euro	5,4-12,4 billion euro	660 million euro
criminal behaviour			578 million euro
social participation	3432 euro	41,2 billion euro	
social security			492 million euro
total social savings			1,7 billion euro
total welfare-effects of education	3732-4812 euro	46,6-53,6 billion euro	

The total social savings for society of raising the education of the whole population with one year, are 1.7 billion euro.

Policy makers should thus not only concentrate on the direct material benefits of investing in education; there are a lot of non-material benefits as well.

The effects of education on social capital

J. Huang, H. Maassen van den Brink & W. Groot did a 'Meta-analysis of the effect of education on social capital' (Economics of Education Review 28, p. 454-464).

Social capital is difficult to define. It is a heuristic concept with diverse and multidimensional definitions and operationalizations. The most common and accepted

definition (Putnam, 1993, 1999, 2000) is to describe elements of social life such as networks, norms and trust that facilitate coordination and cooperation for mutual benefit.

At the individual level it has been measured looking at the effect of education on

- Trust in other people, those we know and those we don't know
- Social participation in social groups (clubs, unions, etc.)

Association between social capital and years of schooling

It is not only important to look at the own years of schooling, but it is also important to look at the years of schooling in the neighbourhoods or cities: is there more social cohesion or social participation in neighbourhoods with a higher share of higher educated citizens?

The level of education is of importance: Does social capital increase or decrease with the increase or decrease of the level of education? And is there a truly causal effect? Is there a joint relation between social capital and education (which means that trust and social participation are mutually reinforcing) or just a unilateral causal relation (trust is a direct outcome of social participation)?

The meta analysis is based on 65 empirical studies, measuring trust and social participation, with different methods of measurement. 28 studies provide information on the return to education on social trust; 37 studies provide estimates on the return of education on social participation. In total, there are 154 observations on the return to education on trust and 286 observations on the effect of education on social participation. In the table, 'effect sizes' (ES) refers to a common currency in the meta analysis to evaluate the estimates across studies (simplest form: the standardized difference between the treatment and the control group).

Sources for meta-analysis						
<i>Social trust study</i>	<i>No of effect sizes in study</i>	<i>Survey period</i>		<i>Social participation study</i>	<i>No of effect sizes in study</i>	<i>Survey period</i>
Alesina & Ferrara (2000 ^a)	8	1990		Alesina & Ferrara (2000 ^b)	2	1990
Alesina & Ferrara (2002)	8	1974-1994		Brehm & Rahn (1997)	1	1972-1994
Brehm & Rahn (1997)	1	1972-1994		Choi (2003)	1	1993

EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Claibourn & Martin (2000)	4	1982		Claibourn & Martin (2000)	4	1982
Glaeser & Sacerdote (2001)	1	1972-1998		Cutler & Hendricks (2000)	2	1974-1994
Glaeser et al (1999)	46	1972-1994		Dee (2003)	14	1972-2000
Helliwell & Putnam (1999)	6	1972-1996		Denny (2003)	88	1990-1999
Huang et al (2008a)	9	1991		DiPasquale et al. (1999)	4	1986-1994
Ibáñez et al. (2002)	4	2000		Funk (1998)	1	1991
Johansson-Stenman et al (2005)	1	2003		Glaeser & Sacerdote (2000)	6	1973-1998
Lederman (2005)	4	2000		Glaeser & Sacerdote (2001)	22	1972-1998
Lee et al. (2003)	3	1996		Glaeser et al (1999)	9	1972-1994
Leigh (2006)	6	1997		Hauser	6	1974-1990
Levinsen (2004)	3	2002		Helliwell & Putnam (1999)	7	1972-1996
Marchall & Stolle (2004)	3	1975		Hooghe (2003)	1	1998
Milligan et al. (2003)	2	1948-2000		Huang et al (2008b)	6	2000
Newton (2001a)	7	1990		Kang & Kwak (2003)	2	1997
Rahn et al. (2003)	6	2002		La Ferrara (2002)	4	1994
Rothstein & Uslaner (2004)	2	1992		Lederman (2005)	4	2000
Rothstein (2001)	3	1998		Letki (2005)	1	2001
Scheufele & Shah (2000)	1	1997		Levinsen (2004)	9	2002

EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Shah et al. (2001)	4	1999		Li et al. (2003)	8	1988-1989
Uslaner (1997)	5	1992		Liu & Besser (2003)	7	1994
Uslaner (1998)	6	1972-1994		Milligan et al. (2003)	2	1948-2000
Uslaner (2003)	2	1990-1995		Norris (1996)	1	1990
Uslaner (2004a)	4	1972-1998		Patricia et al. (1999)	1	1997
Wilson 1997	3	1992		Pattie et al. (2003)	3	2000
Wollebæk & Selle (2003)	2	1998		Scheufele Shah (2000)	2	1997
				Shah (1998)	3	1995
				Shah et al. (2001)	4	1999
				Stoneman & Anderson (2006)	10	2006
				Tang	12	1986-1994
				Taniguchi	3	1995-1996
				Tiehen (2000)	24	1979-1980
				Uslaner (1997)	4	1990-1993
				Uslaner (1998)	6	1972-1994
				Wellman et al. (2001)	2	1998

Sizeable effect of education on trust and social participation

In the results table below (table 2), we read that **one additional year of schooling increases one's trust in others by 4.6%** of its standard deviation, and **increases social participation by 4.8%** of its standard deviation.

One standard deviation of schooling years, which is 2.5 – 3.3 years for most countries, accounts for the variation in social trust and social participation by 12% - 16% of their standard deviation ($2.5 \times 4.6\% = 12\%$; $3.3 \times 4.8\% = 16\%$).

Table 2: Summary statistics, estimates of pooled effect size and test statistics for fixed effect				
	<i>Social Trust</i>		<i>Social Participation</i>	
<u>A. Summary statistics</u>	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>
Effect size	0.046	0.035	0.048	0.032
Measure error (s. e of effect size)	0.015	0.017	0.021	0.046
<u>B. Estimate of pooled effect size</u>	<i>Estimate z-value</i>		<i>Estimate z-value</i>	
Fixed effects	0.031	83.54	0.059	152.99
Random effects	0.045	18.44	0.050	21.67
<u>C. Test for fixed effects</u>	<i>Social Trust</i>		<i>Social Participation</i>	
Q-statistics	4557.98		8675.51	
p-value	<0.0001		<0.0001	
	0.001		0.001	
N	154		286	

Mean effect size by characteristics of the study and the population

In the results table below (table 3) we read that the effect of education on social capital is lower for

- Women compared to men (social participation)
- Non US nations
- Surveys conducted after 1990.

For social participation the effect of education increases if controlled for the average education level in the region.

Accounting for the endogeneity of education reduces the effect of education dramatically.

Table 3: Mean effect size by characteristics of the study and the population									
		<i>Social trust</i>			<i>Social activity</i>				
<u><i>Specific group</i></u>	<i>Obs</i>	<i>Mean</i>	<i>Dif*</i>	<i>Sig of dif**</i>		<i>Obs</i>	<i>Mean</i>	<i>Dif*</i>	<i>Sig of dif**</i>
Female	4	0.020	0.027	0.01		22	0.017	-0.033	0.00
Older age group (over 60=1)	3	0.117	0.072	0.36		13	0.051	0.003	0.69
College graduate	52	0.048	0.002	0.70		24	0.043	-0.006	0.46
Survey after 1990	66	0.040	0.011	0.03		158	0.042	-0.014	0.00
Non US survey	74	0.031	-0.032	0.00		150	0.038	-0.020	0.00
Average education control	11	0.045	-0.002	0.84		10	0.116	0.071	0.00
Education endogeneity control	7	0.048	0.001	0.95		11	0.009	-0.041	0.00
Reciprocity control	47	0.044	-0.003	0.46		33	0.045	-0.004	0.55

* "Dif" refers to the mean difference between the effect sizes from the target group and the rest of the effect sizes;

** "Sig of dif" refers to the statistical significance of the group difference.

Extended model for random effects

In the results table below (table 4) we read that some control variables have an impact on the association between education and social participation:

- Controls for environment
- Controls for reciprocity for both social trust and social participation
- Literacy reduces the effect of schooling on social participation by a considerable degree.

The association between education and trust is influenced by:

- Religion
- Family size and marital status
- Media influence (radio, tv, internet)

Table 4: Extended model for random effects					
	<i>Social trust</i>		<i>Social participation</i>		
<u><i>Variable control in study</i></u>	<i>Coef.</i>	<i>z-value</i>		<i>Coef.</i>	<i>z-value</i>
Gender control	0.007	1.30		0.010	1.08
Family control	0.015**	2.24		0.004	0.91
Reciprocity mechanism control	- 0.015**	- 2.53		- 0.013**	- 2.19
Environment control	- 0.010**	- 1.86		0.021***	4.76
Religion control	0.017***	2.95		- 0.001	0.11
Age/cohort control	- 0.006	- 0.53		0.006	0.85
Media control	- 0.013**	- 2.14		- 0.002	0.28
Education endogeneity control	- 0.008	0.54		- 0.042***	- 3.11
Average education control	- 0.004	0.32		0.037***	3.46

Literacy control	-	-	- 0.022***	- 5.68
<i><u>Specific groups in study</u></i>	<i>Coef.</i>	<i>z-value</i>	<i>Coef.</i>	<i>z-value</i>
Female	- 0.019	- 0.99	-0.059***	- 4.62
Survey after 1990	- 0.025	- 0.49	-0.022***	- 2.77
College graduate	0.010**	1.97	0.026***	3.94
Older age group (over 60=1)	- 0.010	- 0.36	0.020**	1.97
Non-US survey	- 0.020***	- 3.47	- 0.036***	- 8.03
Participation in voluntary activity	-	-	0.008	0.57
Constant	0.051***	3.65	0.071***	6.06
	0.0003		0.0002	
N	154		286	

*Significant at 10% level. **Significant at 5% level. ***Significant at 1% level.

Conclusions of the meta-analysis

Education has a strong and robust effect on trust in others and on social participation. This effect is sizeable: two to three years of education (= 1 standard deviation) accounts for 12% – 16% in the variation of social capital.

In neighbourhoods and cities with a higher share of higher educated citizens, education has a stronger effect on social participation, compared with neighbourhoods and cities with more lower educated citizens.

There is evidence for a 'virtuous cycle' in the accumulation of social capital: trust reinforces social capital vice versa.

Erosion of social capital has coincided with a decline in the marginal effect of education on social capital (= explanation of the paradox of increasing education levels and decline in social capital).

General conclusions

The rate of return to a year of education is 7% – 9% and has increased during the past twenty years.

Social rate of return is also high: 5% - 9% (tax revenues, externalities, etc.): this is a strong incentive to expand higher education.

Education contributes to better health and longer life expectancy.

Education reduces social costs of health, criminal justice and social security.

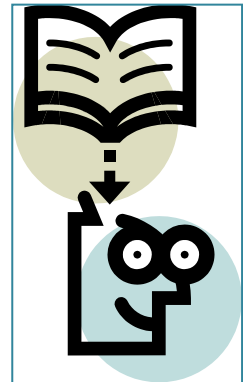
Education contributes to social participation and social cohesion (trust in other people).

Implications for educational policy

The benefits of education are wider than just private income effects. There are positive externalities to education on health, crime, social security, civic behaviour (social participation and trust).

Reallocation of budgets between policy sectors is suggested (education, justice and health).

The way forward is a new policy based on social savings and aggregated individual welfare.



It's education, stupid!

How to enhance effectiveness and visibility of impact?

EDUCATION AND TRAINING: THE CHANCE OF EQUITY

Anders Hingel

Anders Hingel is Head of Unit at the European Commission, DG Education and Culture, Studies and Analyses. He is the coordinator of the report 'Progress towards the Lisbon objectives in education and training. Indicators and benchmarks'.



The role of the European Commission in Education

In the Treaty on Education we read (Art. 165 ex. 149):

1. The Community shall **contribute to the development of quality education** by encouraging cooperation between Member States and, if necessary by supporting and supplementing their action, while **fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity**.
2. Community actions shall be aimed at:
 - **developing** the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States
 - **encouraging** mobility of students and teachers, by encouraging inter alia, the academic recognition of diplomas and periods of study,
 - **promoting** cooperation between educational establishments,

- **developing** exchanges of information and experience on issues common to the education systems of the Member States,
- **encouraging** the development of youth exchanges and of exchanges of socio educational instructors,
- **encouraging** the development of distance education.

The European Commission cannot go any further. The organisation of education systems is to be defined fully on national or regional level. Learning systems have their roots in national or local realities; national and local quality strategies and policies are linked to cultural differences.

The role of Europe is to support cooperation between Member States. This is not a simple task.

Education and skills

The educational system should 'supply the right skills which effectively meet the changing needs and requirements'. (for the labour market, but also for society as a whole: competitiveness, productivity, innovation, creativity, active citizenship, well being, leisure, happiness, health...)

This is one of the conclusions of an analysis of UKCES, the UK Commission for Employment and Skills. An analysis of trends from 2000 until 2009 shows that there is need of increasing skills levels in high, intermediate and generic skills.

- Management and leadership skills: corporate managers
- Professional skills: computer/software sector, health and social care, pharmaceutical/medical, traditional and advanced manufacturing skills, teaching, research
- Technicians and equivalent skills: health and social care, utilities, chemicals, life science and pharmaceuticals, automotive engineering, broadcasting
- Intermediate vocational skills: manufacturing, engineering, processing, construction... (the 'skilled trades')
- Customer service: retailing, after-service, maintenance.

BUT also lower skills are needed: 'significant employment will remain in sectors requiring low skills (but with need of up-skilling over time)'.

Occupations *decreasing* more than 50 % since 2000 in the UK (Source: UKCES 2010)

Assemblers (electrical, metal and vehical)	-65%
Typists	-59%
Bookbinders, print finishers	-58%

Metal making operatives	-57%
Telephonists	-55%
Precision instrument makers and repairers	-54%
Sewing machinists	-52%
Tool makers and tool fitters	-52%

Occupations *increasing* more than 90 % since 2000 in the UK (Source: UKCES 2010)

Environmental protection officers	+124%
Paramedics	+114%
Legal professionals	+109%
Refuse and salvage occupations	+104%
Leisure and theme park attendants	+102%
Town planners	+ 94%
Educational assistants	+ 91%
Driving instructors	+ 91%

One has to be careful in the interpretation of these percentages: if there are very few persons in a specific job, a 100 % increase does not mean that there is a boom: even with a 100 % increase, there still are very few persons doing that job.

Educational attainment and employment

The change in the share of the 15-64 years old population in education from 2000 until 2008 is

- for lower educational attainment (below ISCED level 3): - 5.7 %
- for medium educational attainment: + 1.5 %
- for higher educational attainment: + 4.2 %.

These figures only represent formal education.

The employment rates of 15-64 years old in 2008 are:

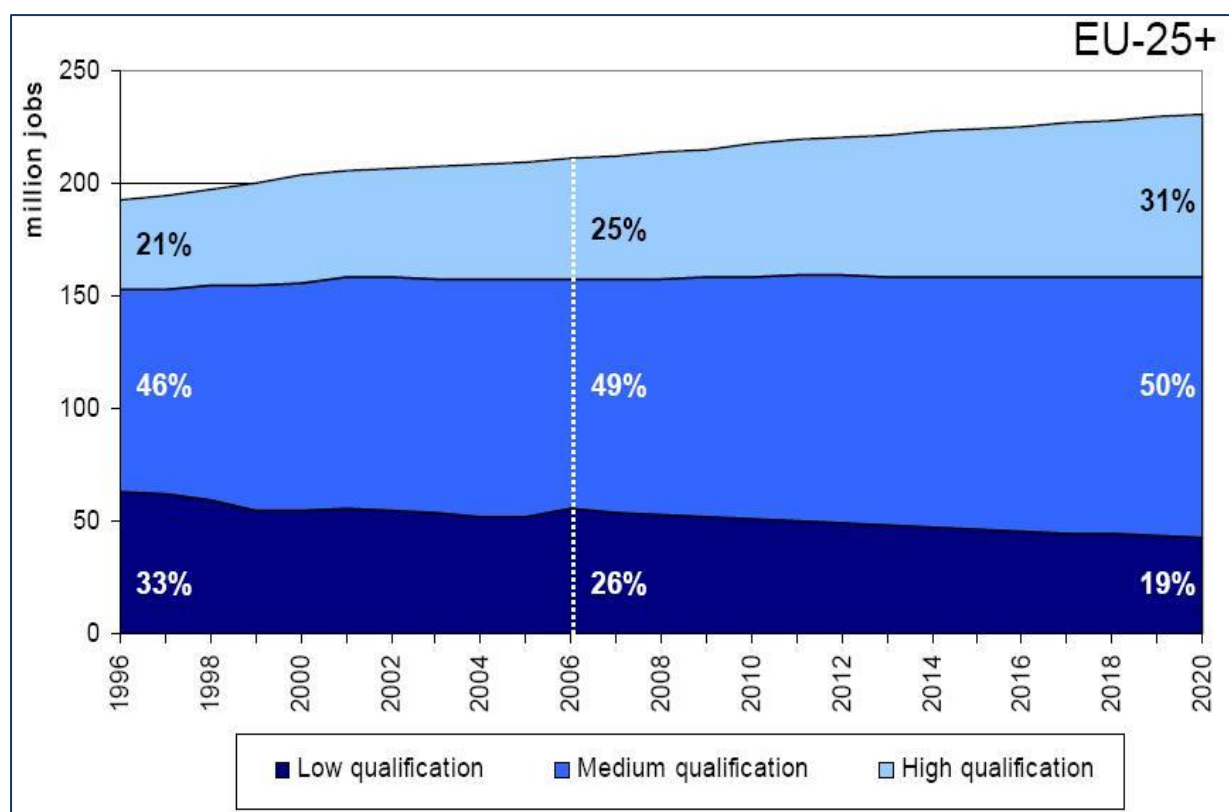
- for lower educational attainment: 48.1 %
- for medium educational attainment: 70.6 %
- for higher educational attainment: 83.9 %

The overall employment rate is 65.9 %.

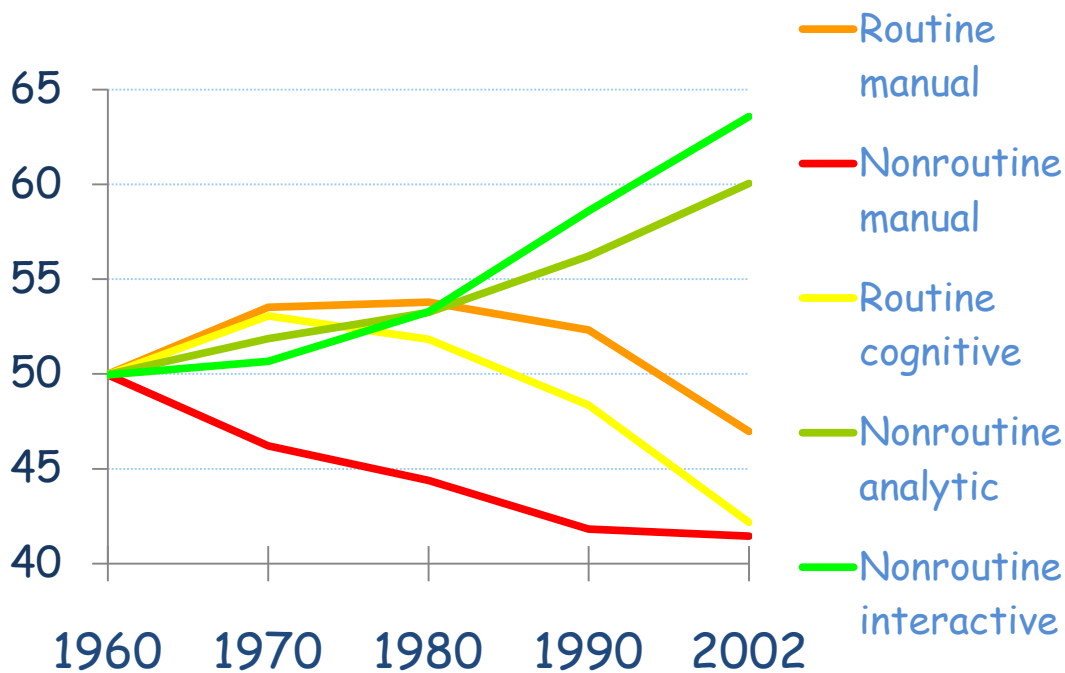
The change in the employment rates for 15-64 years old from 2000 until 2008 is

- for lower educational attainment: - 0.7 %
- for medium educational attainment: + 2.3 %
- for higher educational attainment: + 1.5 %

CEDEFOP (2008) informs about the future composition of the labour force (1996-2020). There is a high increase for people with high qualifications; the medium qualification level is quite stable. Again, only formal education is taken into account, the diploma level.



The demand for skills has changed: the graph on economy-wide measures of routine and non-routine task input (1960-2002 US) by Levy and Murnane shows that the demand for non routine cognitive/interactive skills is increasing rapidly; the demand for routine manual/cognitive skills is falling rapidly. We are talking about 'skills' achieved through formal, non-formal and informal learning, in a life-wide and life-long context. Many of the skills considered here are learned on the job; the question is how to recognize these skills.



In the Eurobarometer 2007 we find what are useful qualities to find a job (15-30 years old). We see that there are specific country-linked results. In Denmark, for instance, where almost everybody speaks English, there is no need for other foreign languages: only 7% consider foreign languages as a useful quality to find a job, whilst in Italy, where less people speak foreign languages, 25 % consider this a useful quality to find a job. In Sweden, 22 % think that a good appearance is a useful quality to find a job; in Italy, only 3 % do.. There is a great diversity in Europe: diversity in the labour market but also cultural diversity.

- **IT, computer, communication technology skills**
 - Italy 30%
 - EU 18%
 - Denmark 15%
 - France 14%
- **Foreign Languages**
 - Italy 25%
 - EU 18%
 - Germany 10%
 - Denmark 7 %
- **Communication and teamwork skills**
 - Italy 17%
 - EU 27%
 - Denmark 38%
 - UK 31%
- **Good appearance**
 - Italy 3 %
 - EU 5 %
 - Sweden 22%

Currently, the European Commission is working on a benchmark on mobility, and on a benchmark on employability: how does education link to finding a job?

Indicators on employability and education/training can be linked to

- the preparation for employment: the share of young people having participated in the VET stream of upper secondary level compared to the share of young people not in education and training with educational attainment levels ISCED 3 or below
- the transition from education to work: the percentage of young people who graduated in t-2/t-3 and are unemployed/employed; and the percentage of young people (25-29; 25-34) by level of educational attainment employed at a relevant skills level (this is about skills mismatch, harming for jobs and people)
- education for maintaining employability: the participation rate in lifelong learning of older workers (55-64); the participation rate in lifelong learning of low skilled works (ISCED 0-2); the graduates (ISCED 5-6) aged 35 years and over as percentage of the total number of graduates.

Monitoring of the progress

The main objective of the educational system is to provide people with key competences for being integrated in society and in the labour market. This objective has to be achieved in initial education and training, but has to be updated and maintained throughout life. Are the European educational systems answering such challenges of society?

In the EU Recommendation of the European Parliament and the Council (December, 2006) a reference framework of 8 **key competences** has been established:

- Communication in the mother tongue
- Communication in foreign languages
- Math, science and technology competence
- Digital competence
- Learning to learn competences
- Social and civic competences
- Sense of initiative and entrepreneurship
- Cultural awareness and expression.

This is a lot broader and more complex than the aspects that are measured by PISA.

How is the progress monitored and analysed?

Europe is the only place where countries agreed on common progress measurement with specific indicators: these benchmarks and indicators are decided by the Ministers! Thanks to these benchmarks, countries can identify those who succeed and those who don't and learn from each other.

In the Council Conclusions of 2003, five European **benchmarks** have been defined for 2010:

- 10 % early school leavers (young people)
- 20 % less low performers in reading literacy
- 15 % more new math, science and technology graduates
- 85 % upper secondary graduates (young people)
- 12.5 % lifelong learning participation (adults).

On top of these benchmarks, in the Council Conclusions of 2006, 16 core **indicators** have been identified, related to the detailed Lisbon work programme:

1. Participation in pre-school education
2. Special needs education
3. Early school leavers
4. Literacy in reading, maths and science
5. Language skills
6. ICT skills
7. Civic skills

8. Learning to learn skills
9. Upper secondary completion rates of young people
10. Professional development of teachers
11. Higher education graduates
12. Cross-national mobility of students
13. Participation of adults in lifelong learning
14. Adults' skills
15. Educational attainment of the population
16. Investment in education and training

Indicators 4, 5, 6, 7, 8 and 14 are linked to the key competences.

European benchmarks, 'European average performance levels', go out of the logic that every country should try to move on in the good direction. In the new Europe 2020 strategy, new benchmarks are defined to be reached by 2020. In accordance with these new EU benchmarks, now, for the first time, national benchmarks will be defined. The advantage of these national benchmarks is that they will increase the responsibility of the national actors, but the disadvantage is that there is a risk that the European dimension will be taken away: Ministers might pay less attention to the European benchmark if there is also a national one. It will not be easy to find a compromise between the European and the national logics.

Learning to learn and creativity

A lot of work is being done now in the area of two important competences:

- Learning to learn
- Creativity

Learning to learn

Learning to learn is the basic competence for lifelong learning. Three dimensions can be distinguished:

- The affective dimension, comprised of three sub-dimensions
 - ° Learning motivation, learning strategies and orientation towards change
 - ° Academic self-concept and self-esteem
 - ° Learning environment
- The cognitive dimension, based on four sub-dimensions
 - ° Identifying a proposition
 - ° Using rules
 - ° Testing rules and propositions
 - ° Using mental tools

- Meta-cognition, which comprises three sub-dimensions
 - The problem solving (metacognitive) monitoring tasks
 - Metacognitive accuracy
 - Metacognitive confidence

Creativity

Creativity enables people to purposefully produce new, original ideas, adequate to the situation they are being applied to. An essential dimension of creativity is built on analogical and divergent thinking and risk taking: the risk to be wrong! This dimension is not always nurtured in schools, nor in the PISA results: PISA only looks at the result, not at the process. The wrong solution might sometimes be the creative one.

Transnational surveys

If we just concentrate on PISA, we miss part of the story. A lot of other transnational surveys do exist on the eight key competences:

- Communication in the mother tongue: reading literacy (PISA, PIAAC and Pirls (OECD and IEA))
- Communication in foreign languages: EU survey on language skills (European indicator of language competences)
- Math, science and technology competence (PISA, PIAAC and Pirls (OECD and IEA))
- Digital competence: future international Computer and Information Literacy Study (ILCILS) and Sites (IEA)
- Learning to learn competences: transnational (EU?) L2L survey
- Social and civic competences: Civic skills survey (ICCS/IEA)
- Sense of initiative and entrepreneurship: transnational (EU?) survey on creative skills
- Cultural awareness and expression: transnational (EU?) survey on creative skills

The aim of these surveys is not to make some kind of ranking; the aim is to learn from each other. That's why it is necessary to identify good practices, and why you need some quantitative indicators.

The annual progress report on education and training

The 2009 report is the sixth report, with four chapters:

- I: Making Lifelong Learning and mobility a reality
- II: Improving quality and efficiency of education and training
- III: Promoting equity, social cohesion and active citizenship
- IV: Enhancing creativity and innovation

The five benchmarks for 2010:

- 10 % early school leavers
- 20 % less low performers in reading literacy
- 15 % more new math, science and technology graduates
- 85 % upper secondary graduates
- 12.5 % lifelong learning participation

The five+ benchmarks for 2020:

- 10 % early school leavers
- 15 % low achievers
- 12.5 LLL participation
- 95 % participation in early childhood education
- 40 % higher education graduation (30 – 40)

+ Learning mobility (2010)

Employability and education (2010)

Foreign languages (2012)

The benchmarks on early school leavers and on higher education graduation are also included in the Europe 2020 strategy, taken directly from the Council of Ministers of Education. The decision on the numeric benchmark has been postponed to the Council of June 2010.

The progress report shows that **education and training systems are improving** from 2000 until 2008 in the European Union. This is the evolution for the core indicators for the monitoring of the Lisbon process in the field of education and training:

Share of 30-34 years old with tertiary attainment	+ 39.5
Graduates in MST	+ 33.6
High education attainment of the adult population aged 25-64	+ 24.9
Adult Lifelong Learning participation	+ 12.3
Average number of foreign languages learned per pupil at general lower secondary education	+ 15
Early leavers from education and training, 18-24	- 15.2
Participation in early childhood education	+ 6
Public investment in education	+ 0.5

Population aged 20-24 having completed at least upper secondary education	+ 2.5
Pupils with special education needs in segregated settings	0.0
Participation patterns in initial Vocational Education and Training	- 6.5
Low achievers in reading, 15 year olds	+13.1

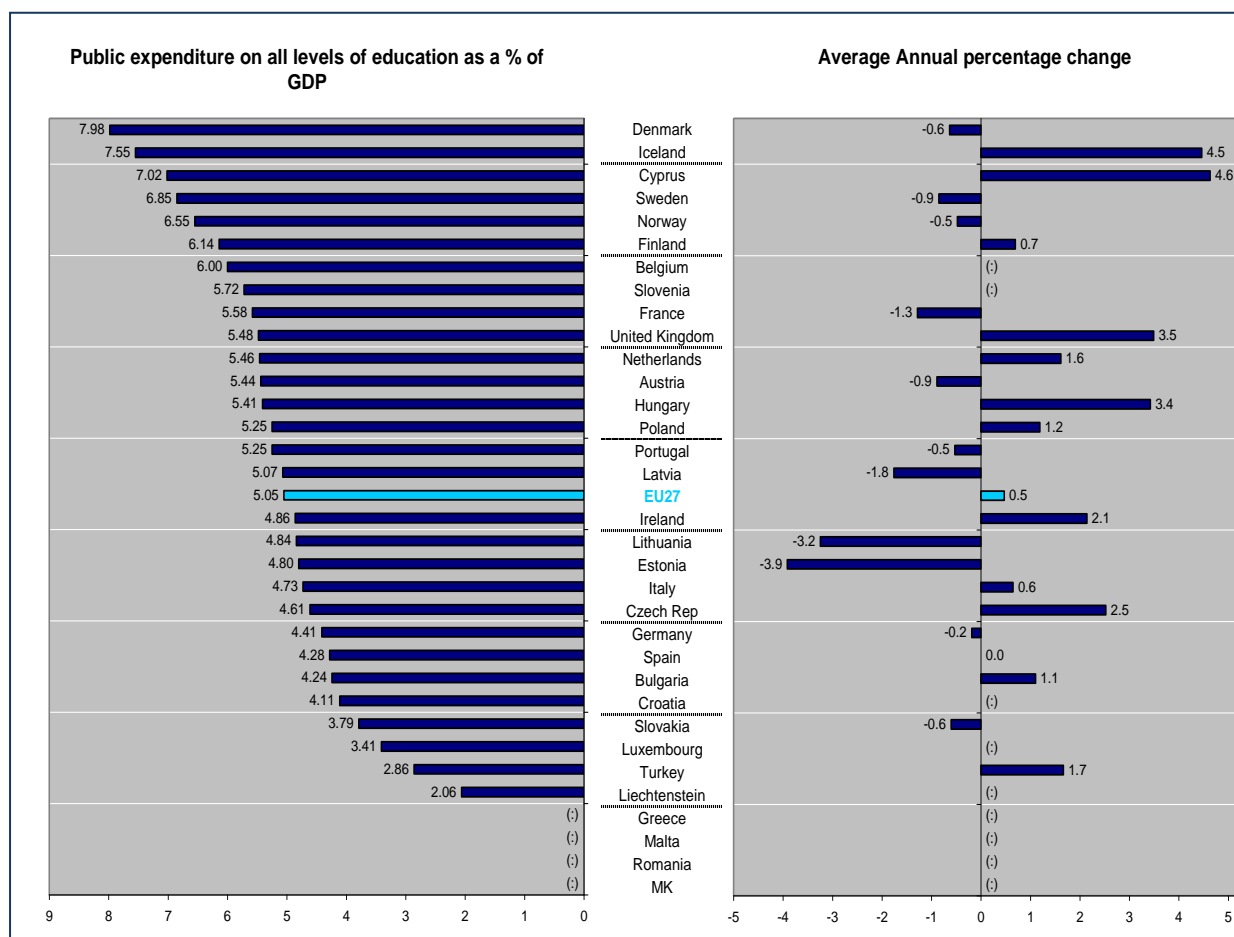
The following slides present a rapid overview of progress and performance in the field of

- Investment in education
- Low performance 15 years old
- Early leavers from education
- Initial vocational education
- High education attainment

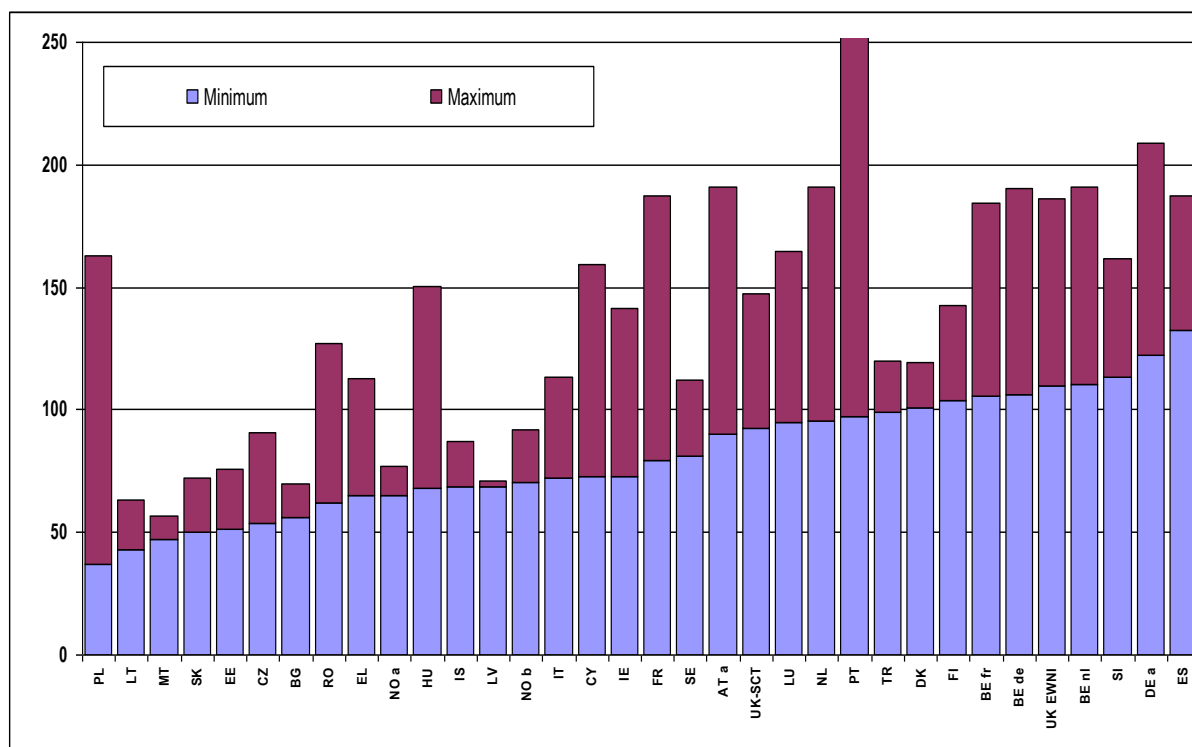
with special attention for the case of Cyprus.

Investment in education

Public investment on education as a percentage of GDP in European countries (2006)



Teacher salaries as proportion of per capita GPD:

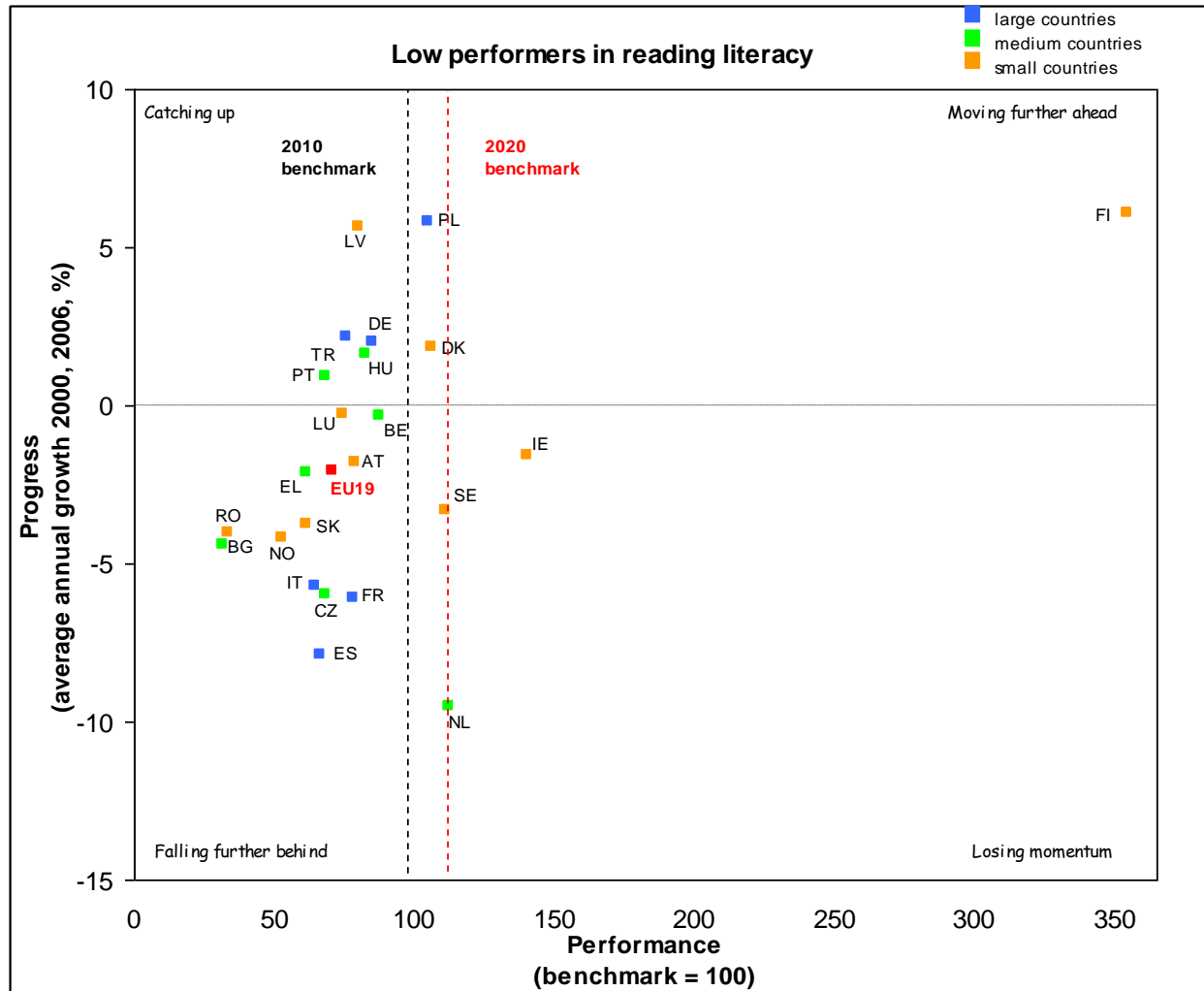


Research shows that investment in education follows the cohort and is closely linked to salaries.

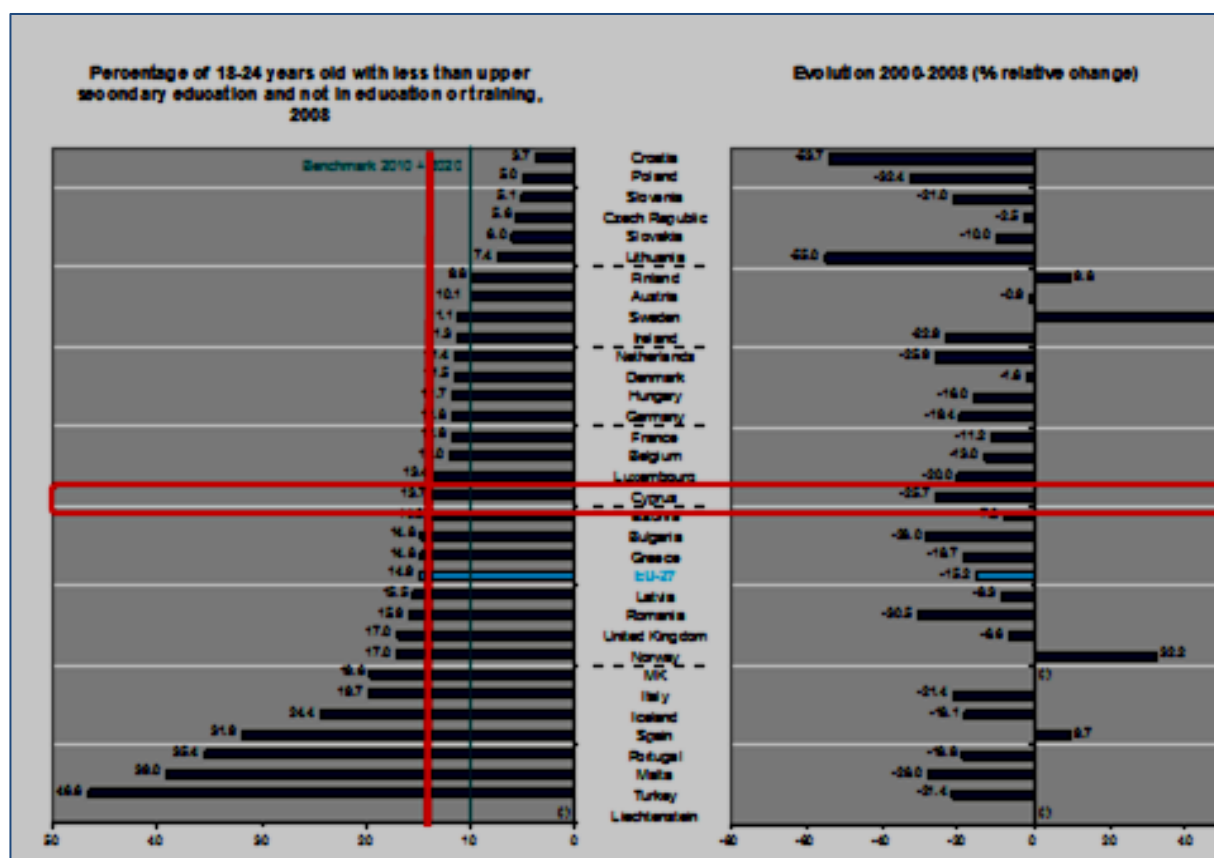
International research tells us that:

- Around 14 % of the achievements in school education can presently be explained by school factors. School resources matter little; teachers and school principals matter!
- The rest of the achievement levels must be explained by other factors: the family background and the communities matter! Japan, for instance, understood the importance of communities in education: it is important that children can learn everywhere, and all the time. And it is important that teachers feel responsible for what pupils learn outside the school. In Europe, we tend to learn only in the school; learning outside the school is not structured.

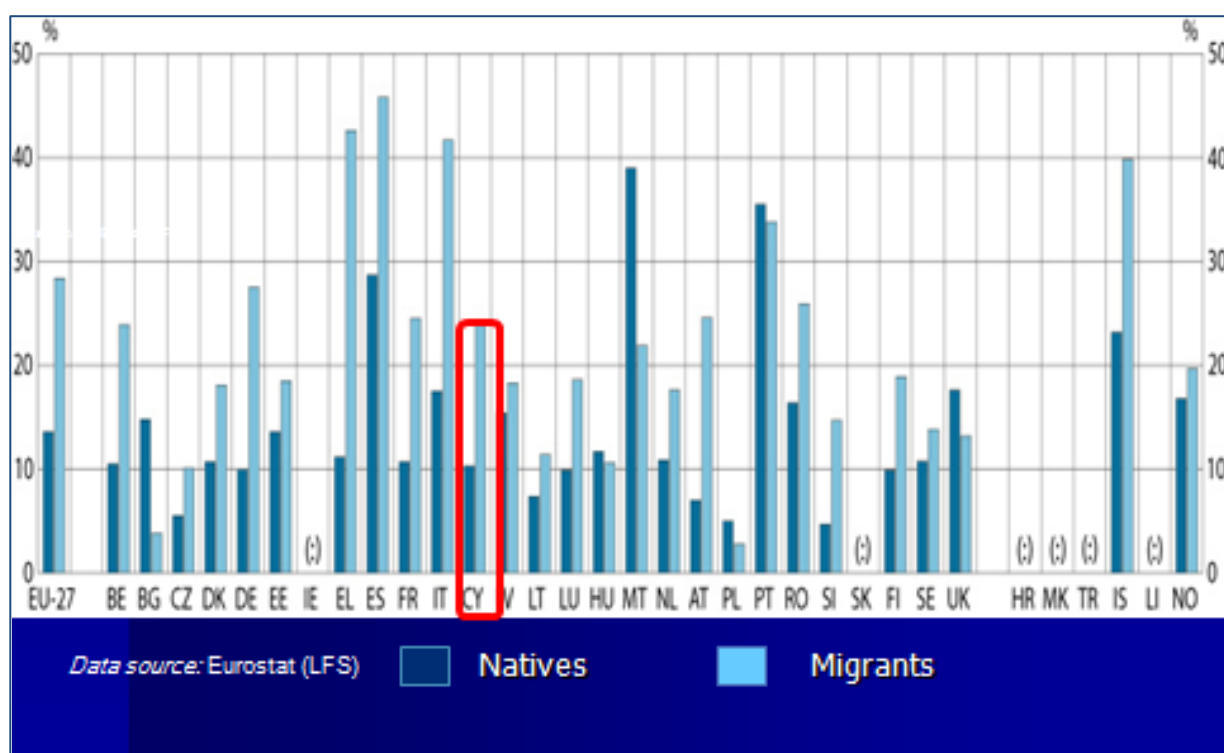
Low performers 15 years old



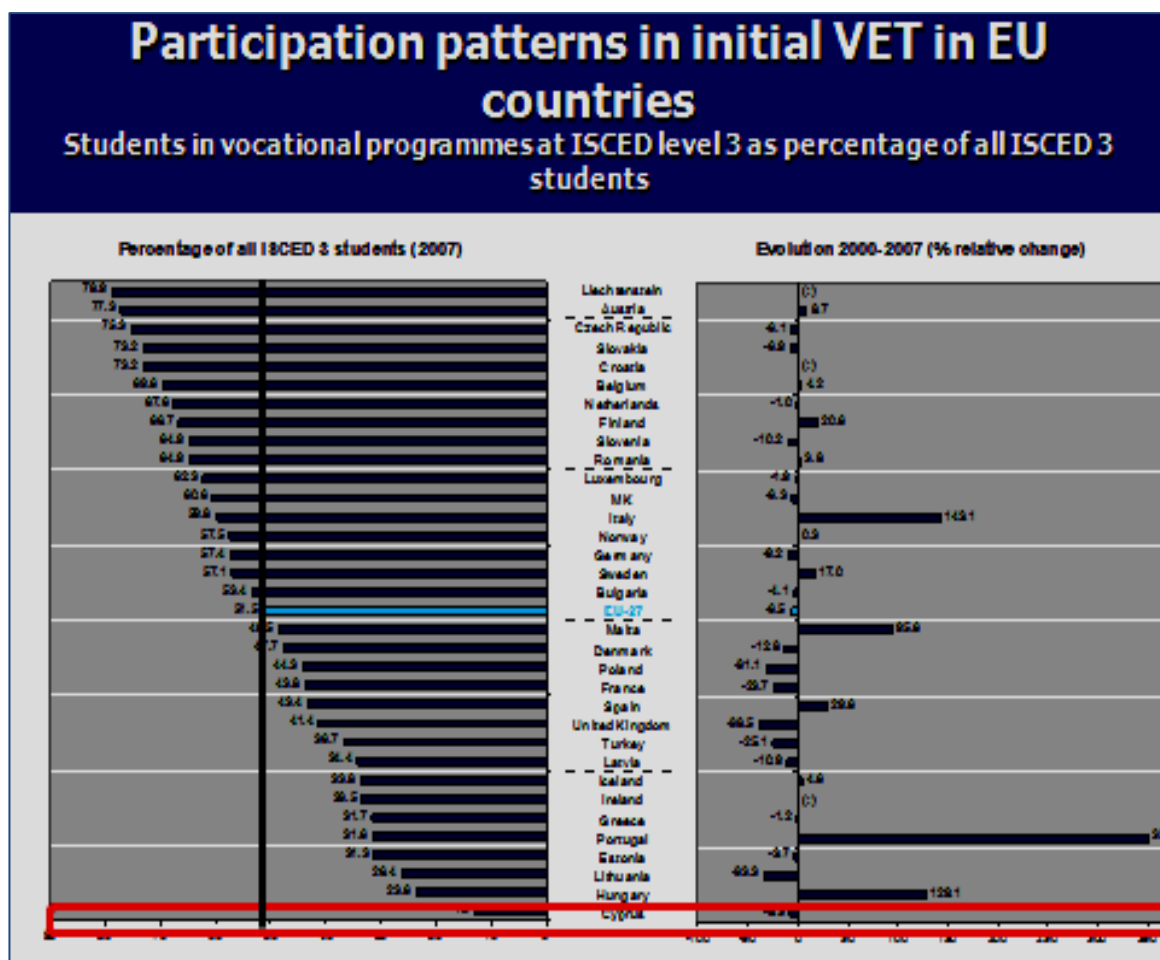
Early leavers from education and training



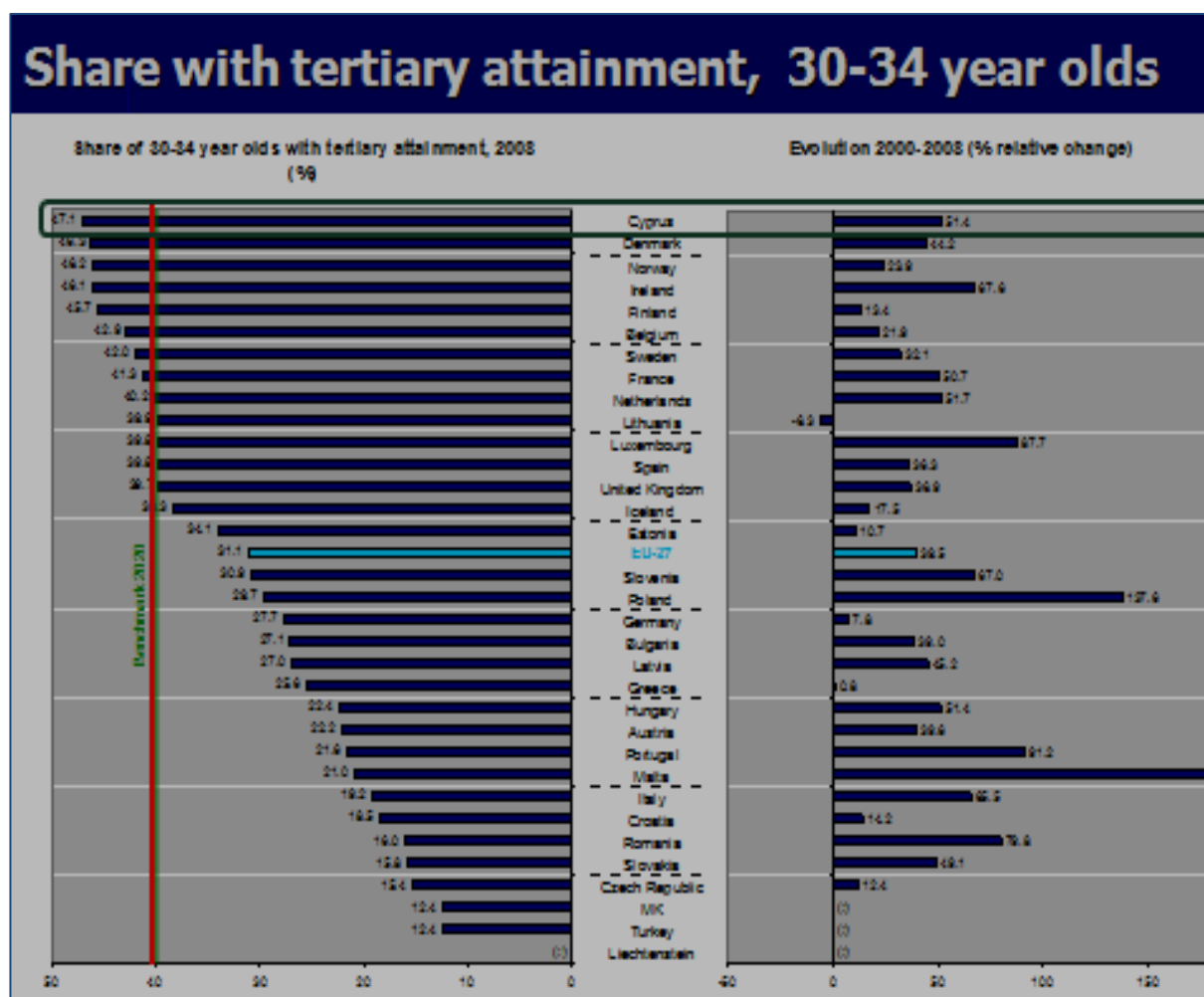
Early leavers from education and training by migrant/natives status (2008).



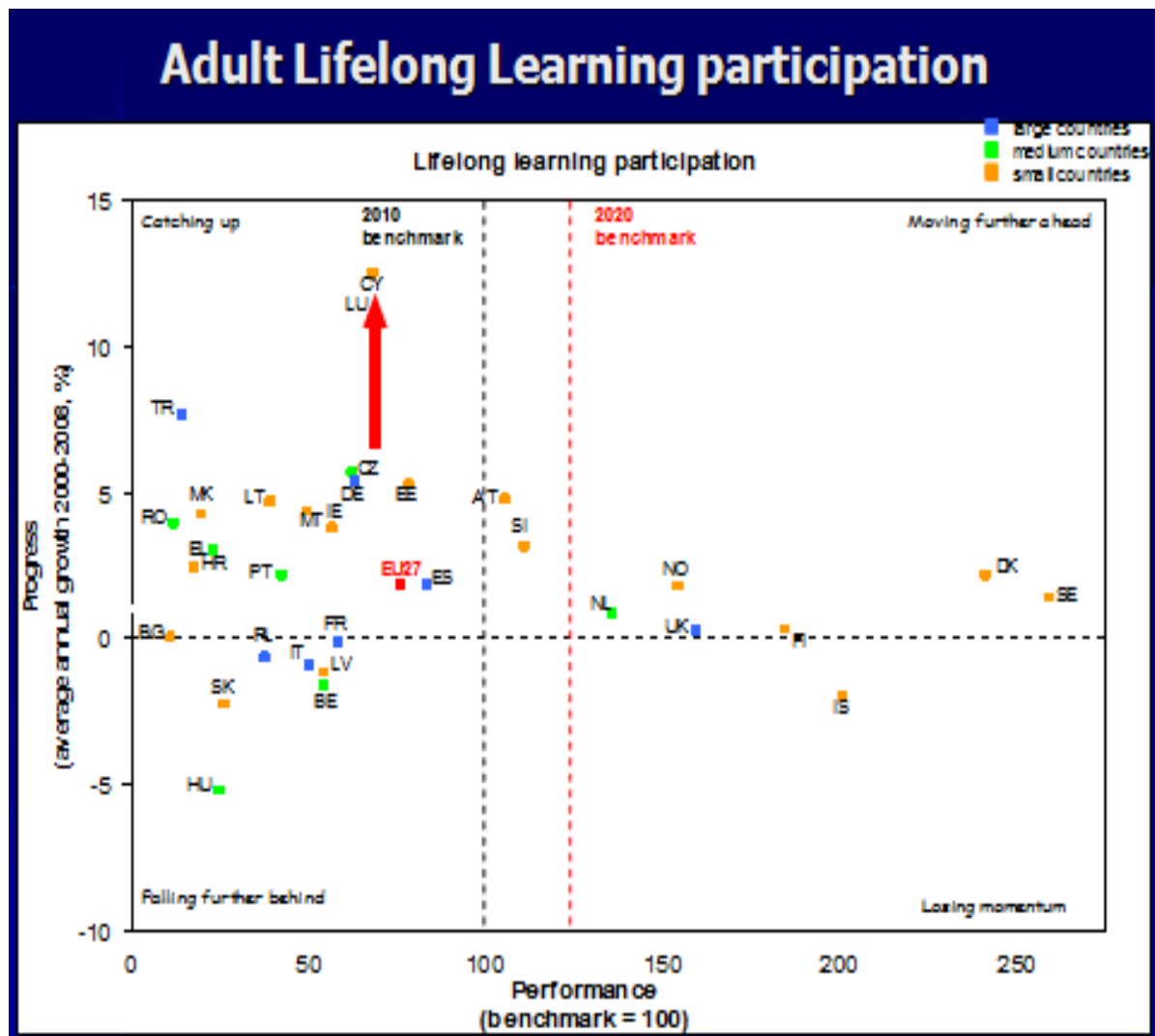
Participation in initial VET



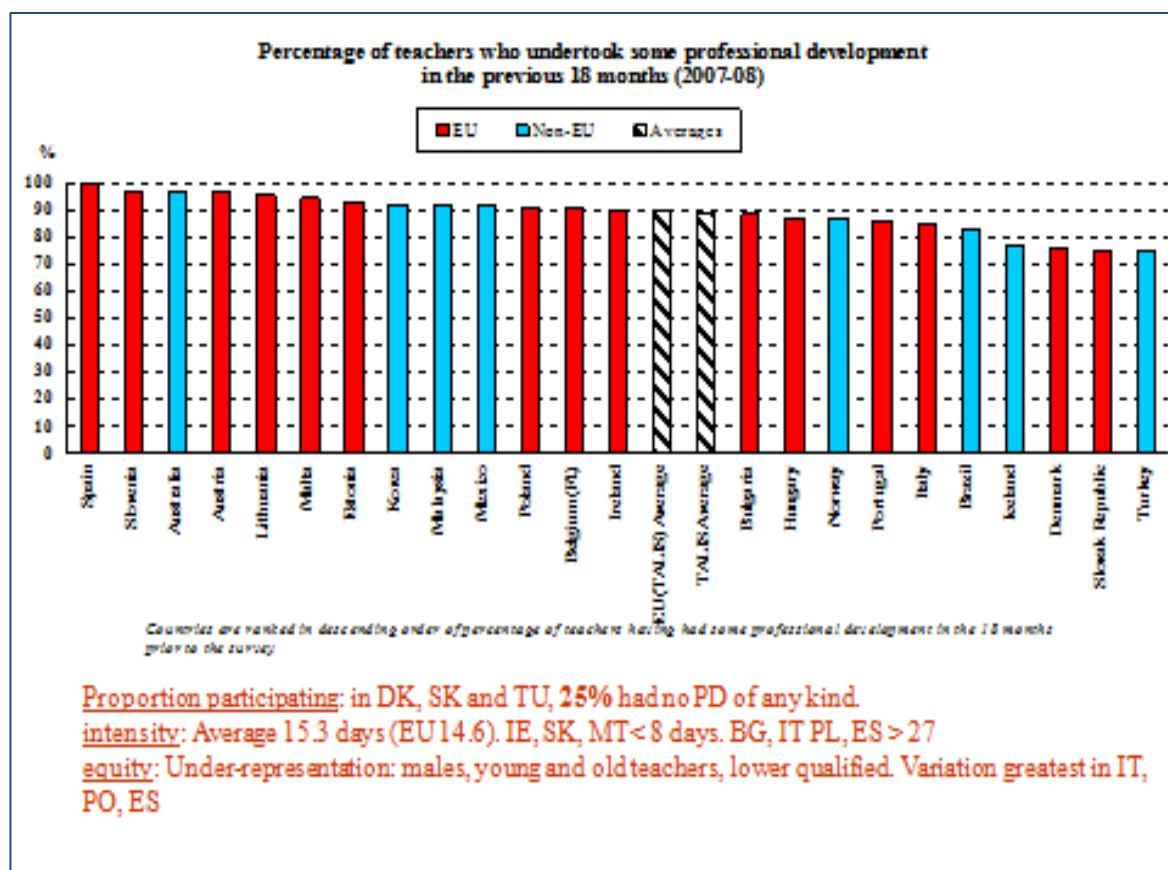
High education attainment



Finally, the graphs below illustrate the **adult Lifelong Learning participation**:



And the TALIS I results concerning **participation of teachers in Professional Development:**



The results from TALIS only represent formal professional development. In reality, teachers learn a lot from talks with colleagues..

Results are high up (100% for Spain!), but differences between countries are considerable. It was surprising that some countries such as Denmark are low performing.

A second analysis showed that it is wrong to say that the most advanced training was the most successful and had the most impact; we rather see that teachers that do a lot of different training have the most impact.

EUROPE 2020 STRATEGY: the way ahead.

In the Europe 2020 strategy, there are three priorities for sustainable growth and jobs.

Priority 1: Growth based on knowledge and innovation

- Innovation
- Education
- Digital society

Priority 2: An inclusive high-employment society

- Employment
- Skills
- Fighting poverty

Priority 3: Green growth: a competitive and sustainable economy

- Combating climate change
- Clean and efficient energy
- Competitiveness

Five headline targets are identified:

- Raising the **employment rate** of the population aged 20-64 "from the current 69% to at least **75%** in 2020".
- Increasing **R&D investment** "from the current 1.9% of EU GDP to 3%" with an alternative target combining R&D and "innovation performance".
- Reducing **CO2 emissions** by 20% by 2020 and increasing the share of renewable energies to 20% by the same date while lowering energy consumption by 20%.
- Increasing the share of the population aged 30-34 to have completed **tertiary education** from the current 31% to at least **40%** in 2020, and less than 10% early school leavers.
- Reducing by 25% the rate of **poverty** (**20 million less** people at risk of poverty).

A REFLECTION ON BENCHMARKS

Interactive session, chaired by Mia Douterlungne, EUNEC General Secretary

Two relevant issues have been faced in the workshops discussions:

Europe 2020

In the new developments on Europe 2020 and Education and Training 2020 we will have to deal with benchmarks of a different nature. In June 2010 the Council will decide on two new benchmarks in the framework of the Lisbon strategy (now Europe 2020).

- These benchmarks will deal with participation to higher education and with the reduction of unqualified school leavers.
- These benchmarks will be monitored on the European level and on the national level. These national attainment goals will –as is expected- result into a greater national commitment to the national objectives.

Education and training 2020

On the other hand in the framework of Education and Training the following benchmarks are already approved by the council in May 2009.

Adult participation in lifelong learning

With a view to increasing the participation of adults in lifelong learning, particularly that of the low-skilled:

By 2020, an average of at least 15 % of adults should participate in lifelong learning.

Low achievers in basic skills

With a view to ensuring that all learners attain an adequate level of basic skills, especially in reading, mathematics and science:

By 2020, the share of low-achieving 15-years olds in reading, mathematics and science [3] should be less than 15 %.

Tertiary level attainment

Given the increasing demand for higher education attainment, and whilst acknowledging the equal importance of vocational education and training:

By 2020, the share of 30-34 year olds with tertiary educational attainment should be at least 40 %.

Early leavers from education and training

As a contribution to ensuring that a maximum number of learners complete their education and training:

By 2020, the share of early leavers from education and training should be less than 10 %.

Early childhood education

With a view to increasing participation in early childhood education as a foundation for later educational success, especially in the case of those from disadvantaged backgrounds:

By 2020, at least 95 % of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education.

In addition, the Council invites the Commission to work further in the following areas:

Mobility

Given the widely acknowledged added value of learning mobility, and with a view to increasing such mobility, the Commission is invited to submit to the Council a proposal for a benchmark in this area by the end 2010, focusing initially on physical mobility between countries in the field of higher education, taking both quantitative and qualitative aspects into account and reflecting the efforts made and the objectives agreed within the Bologna process, as highlighted most recently at the Leuven and Louvain-la-Neuve conference. At the same time, the Commission is invited to study the possibility of extending such a benchmark to include vocational education and training and teacher mobility.

Employability

Given the importance of enhancing employability through education and training in order to meet current and future labour market challenges, the Commission is invited to submit to the Council a proposal for a possible European benchmark in this area by the end of 2010.

Language learning

In view of the importance of learning two foreign languages from an early age, as highlighted in the March 2002 Barcelona European Council conclusions, the Commission is invited to submit to the Council — by the end of 2012 — a proposal for a possible benchmark in this area, based on the ongoing work on language competences.

Questions for the debate

1. The merits and added value of the use of benchmarks. What does your council/you consider to be the impact of these benchmarks? Do you see any pitfalls?
2. Do you think that the benchmarks for Education and Training 2020 are the right ones? Suggestions for new/other benchmarks? For the fine tuning of some other ones?
3. The new method of use of benchmarks in the Europe 2020 programme
 - a. Does your education council consider this to be a realistic working method? Do you think this will have a greater impact on your national education policies?
 - b. Is your education council involved in the formulation of these national goals? Or in the action plan to reach these goals?

Education and budgetary restrictions

THE IMPACT OF THE CRISIS ON EDUCATION

FINDINGS FROM EDUCATION INTERNATIONAL MEMBERSHIP SURVEYS

Mireille De Koning

Mireille De Koning is Professional Assistant within the Research Unit at Education International.

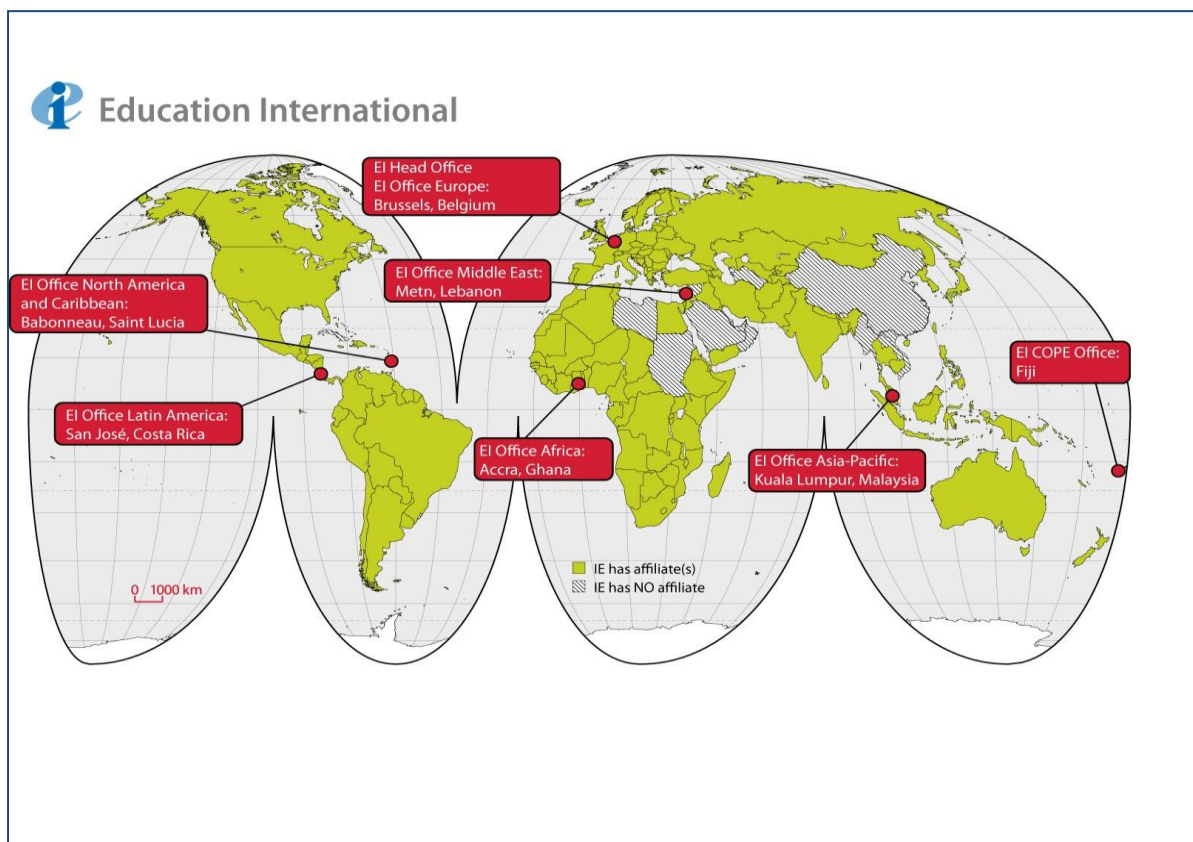
The presentation starts with an overview of what Education International stands for, and what they do; next part is about EI work in the context of the crisis. Survey results and case studies are presented. Finally, the role of unions in education in finding solutions in the context of the crisis is highlighted.



Education International
Internationale de l'Éducation
Internacional de la Educación

Who are we? What do we do?

Education International represents nearly 30 million teachers and education workers. As the world's largest global union federation, and the only one representing education workers in every corner of the globe, Education International unites all teachers and education workers no matter where they are. The 402 EI member organisations operate in 173 countries and territories, from pre-school to university. Education International is a Pan-European structure, active all over the globe, with the exception of China and Arabia.



EI protects the human and trade union rights of education workers and tries to improve teachers' welfare and status (equal pay and equal access to training). It promotes free education for all through publicly funded and regulated education systems.

EI is working, within the trade union movement, together with other Global Union Federations and with other organisations such as GCE (Global Campaign for Education), Oxfam/Novib, Action-Aid and UNESCO.

Education International's work in the context of the crisis

At the occasion of the crisis, the 'Hands up' Campaign has been launched (www.ei-ie.org/handsup).



Most important resources are fact-sheets and reports and the EI-Action toolkit for member organisations.

Conferences and seminars are organised. Education International hosted a High Level Seminar on the impact of the Economic Crisis on Education in Central and Eastern Europe for organisations in Central and Eastern Europe in Warsaw on 2nd, 3rd and 4th September 2009.

The aim of this seminar, as part of EI's global campaign on the financial crisis, was to address the impact of the crisis on teachers and on EI member organisations in the CEE region before the start of the next school year.

The seminar explored the following topics:

- The impact of government borrowing on teacher trade unions and on individual teachers and on education provision;
- The effect of the financial crisis on teachers' working conditions/ professional standards;
- Trade union negotiating strategies in times of financial crisis.

Global membership surveys are organised, field research on case studies is commissioned.



Survey: the impact of the crisis on education

A survey has been undertaken in September 2009; a first follow-up has been undertaken from January to March 2009.

The issues addressed are:

- The consequences for the education budgets
- The impact on teachers' working conditions and salaries
- Measures at the school level (for instance: reduction of curricula)
- The role of financial 'aid' instruments (stimulus packages)
- Unions' responses, actions and expectations.

Information has been collated from member organisations (union perspective). The survey is conducted amongst members: unions. EI don't make a statistical analysis; it is difficult to compare information coming from different countries.

62 unions responded, representing 48 countries in all regions. It appears that Europe and North America are the most affected regions. Consequences for education are uneven and evolving. The impact of the crisis on the education sector is dependent on the government policies adopted.

Government measures operate in three directions:

1. Protection of education budgets, despite expected budget decreases.
2. Stimulus packages are launched. Often, these packages are short term measures, and education is generally not a priority.
3. Reduced public expenditure to offset fiscal deficits (particularly in Eastern Europe)

The impact of the crisis in Central and Eastern Europe

Those regions are hard-hit by the crisis because of their high exposure to external markets. Therefore these economies are most vulnerable.

Tightened public spending is a result of loan programmes (lots of countries received a loan from the International Monetary Fund) to reverse soaring national deficits (in Belarus, Hungary, Latvia, Poland, Romania, Serbia and Ukraine).

Governments have reduced education expenditure, including higher education (Croatia: 9%; in Croatia, unions have guarantees that salaries will be reraised), Czech Republic (5% in 2010), Estonia, Hungary (10%), Latvia, Lithuania (higher education not mentioned), Romania, Serbia (25%), Slovakia).

Salaries are lowered (in Latvia up to 30%; initial increase of salaries in Estonia are lowered back to the 2008 level), there are redundancies and hiring freezes within education sectors. Pay rise has been delayed in Romania.

GCE (Global Campaign for Education) argues that IMP loans are expected to have disastrous effect on the education policy (GCE 'Education on the Brink').

Case study: Latvia.

- 7.5 billion Euro bailout from IMF and EU
- 47 schools shut down as from September 2009; 100 schools closed or merged in total
- Union's report that approximately 6000 teachers are laid off (from total: 35.000)
- 20% cut in wages in public administration, education, pensions and health spending; further public wage cuts are expected.
- Cuts in higher education are up to 49%.
- 26% of the population is living in poverty (Eurostat).

The impact of the crisis in Western Europe

In Iceland and in Ireland, the economies are hardest hit, with reduced education budgets as a consequence (in Ireland: 10% cut at primary level), leading to redundancies and hiring freezes in education.

Currently Spain, Portugal, Italy and Denmark are facing cuts in public spending.

There is increased investment in public services, including education, in France (higher education), in Germany, where the education budget will be increasing to 12 billion Euro in 2013, and in Portugal (infrastructure). But 16.000 teaching posts are not being filled in in France in 2009, in the UK, particularly in the private sector, and in Sweden.

In Norway and Sweden, investment in higher education is seen as a recovery strategy.

In Germany and Spain, unions argue that the crisis is used as a pretext to promote more private spending in education.

Case study: Spain

- The government introduced an Austerity Plan to cut public spending by 6 billion Euro in May to offset public deficit (11.2% in 2009).
- Tuition fees are applied and increased at higher education level; there are cuts in higher education in some regions (Madrid, Valencia, Cataluña and Galicia).
- In June 2010, public sector employees faced a wage reduction up to 7% (5% on average, depending on the salary level) and a freezing of pensions.
- 13.000 civil servant jobs are to be cut.
- In 2011, a wage freeze for civil servants is foreseen to be implemented.
- Schools face cuts up to 10%
- On 8 June, the public sector intends to strike.
- Unemployment is at 20%.

Reduced education spending

Salaries are cut between 5 to 30% in many countries of Central and Eastern Europe in all sectors.

There is an increased decentralisation of funding to the municipal level and to private entities.

There are trends towards privatisation in Western Europe.

Reduced spending affects all levels of education. Loans have led to tightened public spending, which, ultimately, has an effect on education.

Impact on teachers' working conditions

- Cuts in salaries, redundancies and non-salary compensation
- Lay-offs and hiring freezes
- Reductions of retirement programmes, maternity leave, child-care and health insurance
- Job losses for support staff
- Increased hiring of unqualified teachers
- Increased workloads.

Measures at the school level

- Closure and merging of small public (rural) schools and special needs schools in 11 countries
- Expansion of class sizes (in some countries, class sizes were already high)
- Special education classes reduced in Ireland and Switzerland
- Curricula reduced: foreign language classes (Cyprus, Ireland and Poland) and guidance counselling (Sweden and Spain)
- Rise in tuition fees or voluntary contributions

Impact on higher education

In some countries, there are cuts in higher education spending: Ireland (5%), Latvia (reduced by half since 2008), Poland, Hungary (4-7%), and Estonia (9%), UK (budget cuts up to 14% for some universities), Portugal.

Cuts in teaching budgets at university level (UK, Belgium (Flanders), Estonia and Hungary) lead to fewer study programmes and lowered employee salaries (Greece, Ireland and Latvia), hiring freezes (Estonia). (Source: EUA – European University Association 2010)

Tuition fees for students are introduced or increased: in Sweden: tuition fees for foreign students; in Croatia, tuition fees are under discussion.

EUA (European Universities Association) argues 'funding is increasingly targeted to achieve targeted objectives in line with national priorities'. Universities loose autonomy.

On the other hand, investments are increasing in higher education (Sweden and Norway) and in research (Sweden: 500 million Euro) and Vocational Education and Training (Norway: 9%). In Ireland, requalification schemes are funded.

Financial 'aid' instruments

Countries in the CEE regions secured different types of loans from IMF and EU during 2009.

Twenty-two countries have economic stimulus packages, few with an education component, mostly focused on investment in school infrastructure (France, Norway, Portugal and UK).

Aid to developing countries is declining (Specific Support Actions and Asia-Pacific): combined with budget pressures and slower economic growth, this causes thwarts progress to achieving Education For All and Millennium Development Goals.

Poverty and marginalisation are increasing; there are high teacher shortages, combined with poor teacher training and a lot of unqualified teachers.

Union responses in the context of the crisis

Unions are only formally involved in the discussions with national and local governments. There is little union involvement in the decision making process.

Collective actions of trade unions consist in lobbying, in organising demonstrations, in negotiating.

Successes include the negotiation of non-closure of schools and the fact that teachers have not been laid off, and that cuts are lowered.

Cutbacks in education spending are expected in 2011-2012.

Trade unions continue their research work. Currently ongoing research projects, looking for responses in Europe as well as in developing countries, are

- EIRI/OSI research project: 'Assessing the impact of global economic crisis in CEE' (Slovakia, Serbia, Romania and Poland). (EIRI = Early Intervention Research Institute)
- EIRI/UvA(Universiteit van Amsterdam)-IS-Academie research project: 'Education and the Global Economic Crisis: Effects and Policy Responses (4 case studies, Mali and Bolivia).

Where are we going?

Countries in Western Europe are now just starting to feel the impact on the national budgets. We don't really know yet what price education will pay.

Loans will continue to have a negative impact on education and exacerbate developments already taking place, for instance the lack of teachers. How to attract people to the jobs when budgets are reduced?

Often, the crisis is used as a pretext to introduce reforms:

- Increased focus on effectiveness and student outcomes
- Reduced autonomy
- Increased privatisation.

With the aid-commitments to developing countries being lagged, how are the EFA goals going to be achieved?

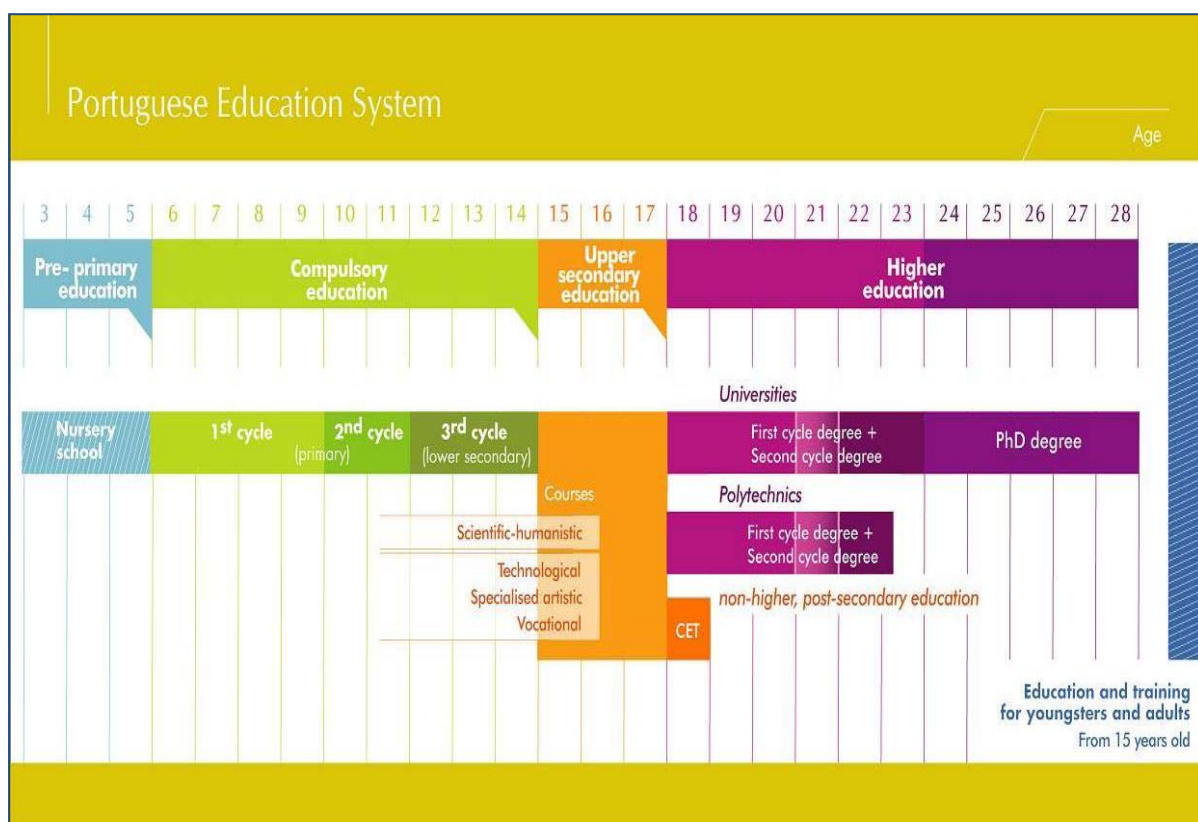
THE IMPACT OF THE ECONOMIC CRISIS ON EDUCATION IN PORTUGAL; A PERSONAL VIEW.

Manuel Miguéns

Manuel Miguéns is Secretary General of the Portuguese Education Council

The Portuguese Education System: some facts and figures about problems, progress and development.

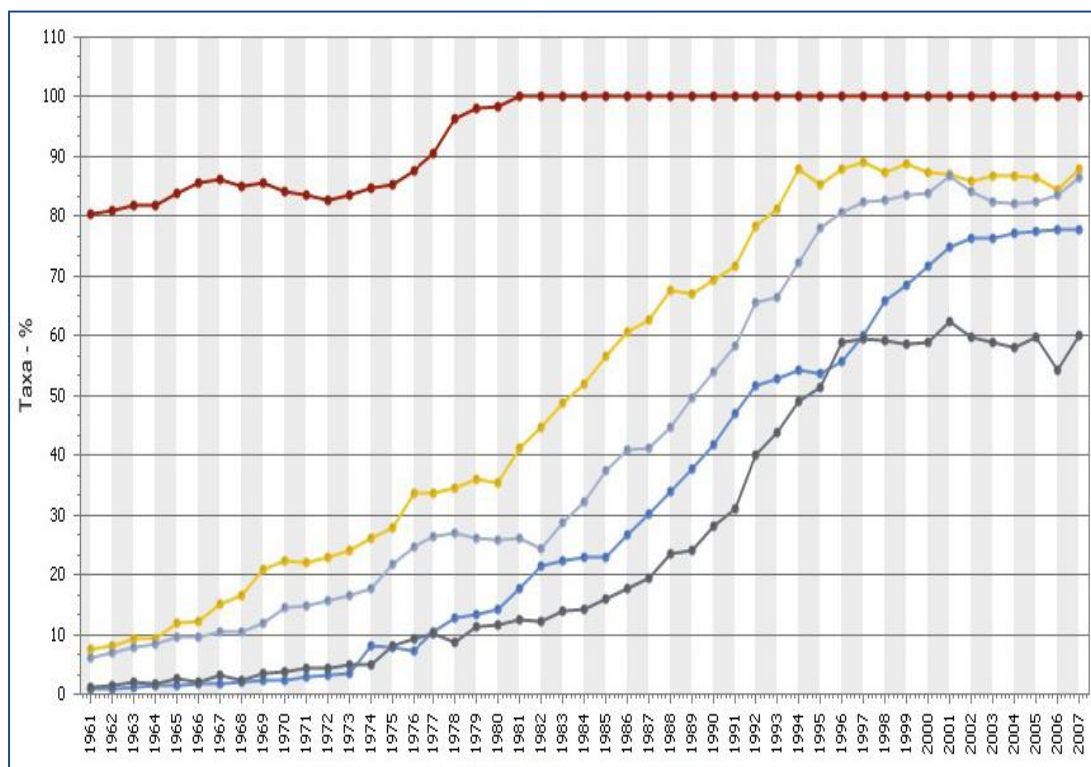
In the graph below we find information about the structure of the Portuguese education system, from pre-primary until higher education and adult education.



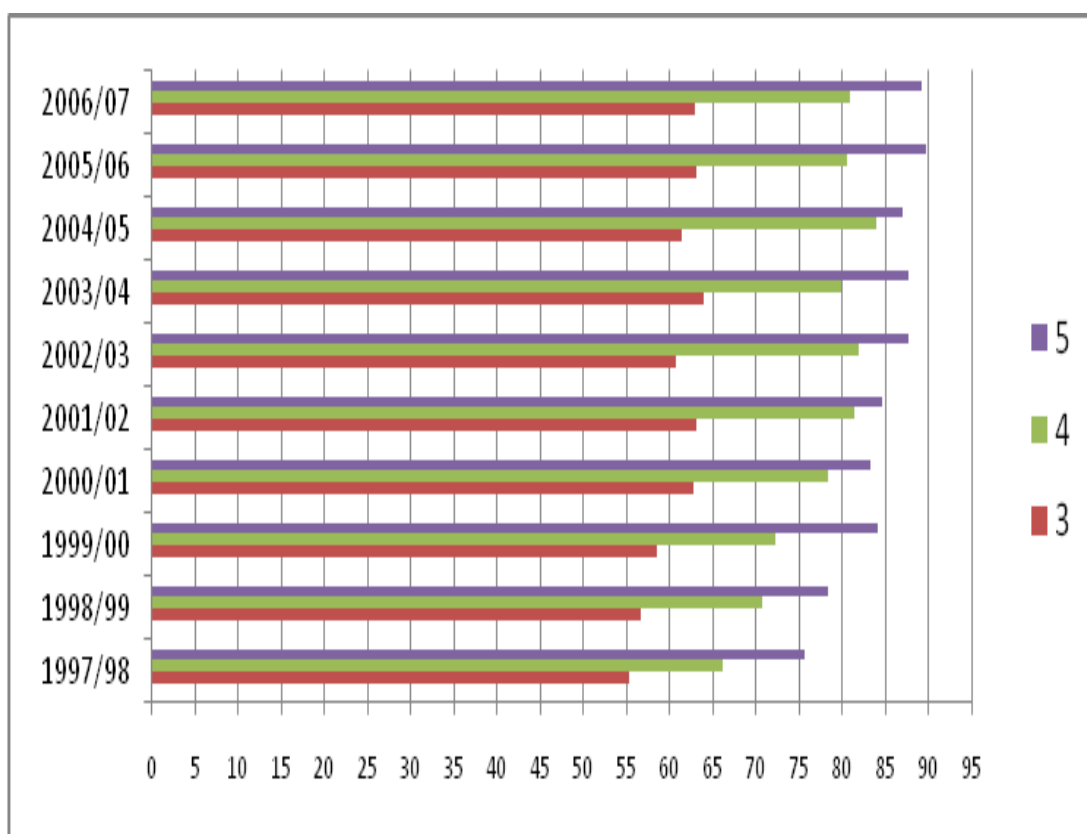
EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

The evolution of the percentage of schooling degree from 1961 until 2007: blue represents pre-school education, red represents education of the first cycle, yellow represents education of the second cycle, grey represents education of the third cycle and black represents the percentage for secondary education.

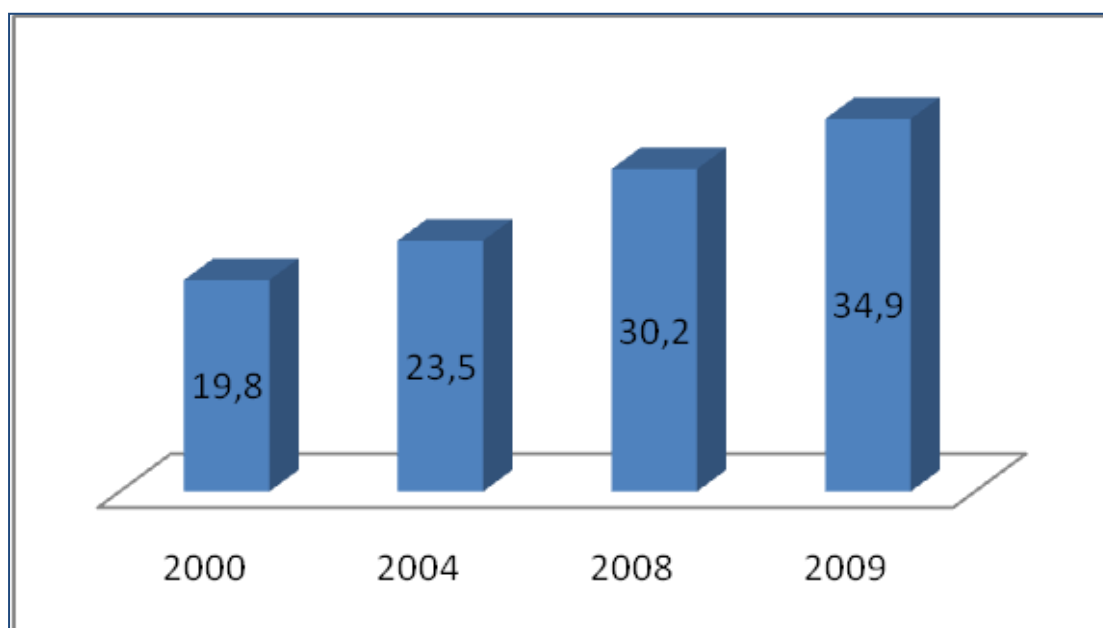
Progress has been significant, but there are still problems with the rates in secondary education achievement in comparison with the European average.



The rate of pre-schooling in Portugal, according to the school year, by age (source: *GEPE/INE, 50 anos de estatísticas da Educação, Vol. I, 2009*).



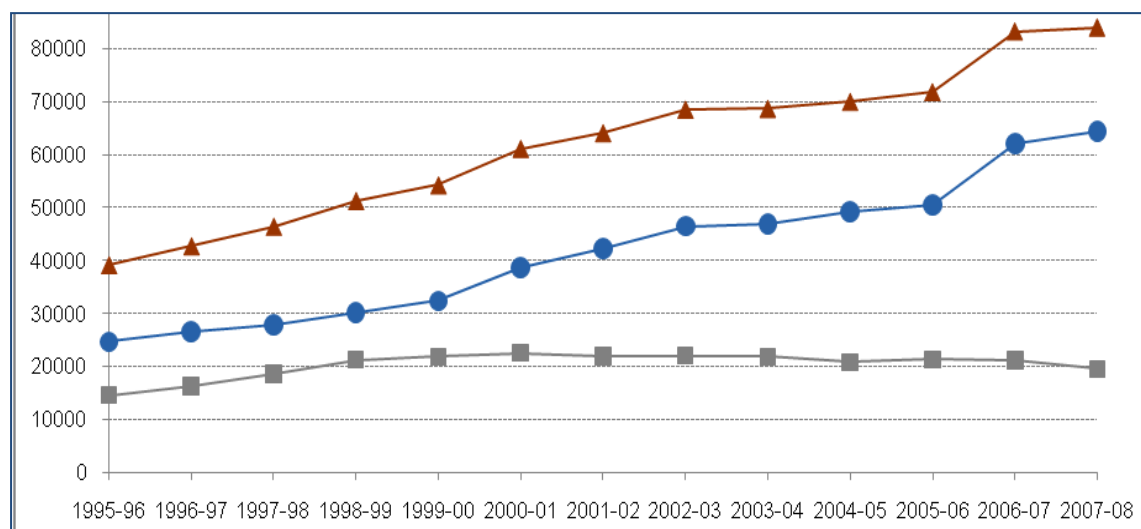
Coverage rate of nurseries, 2000, 2004, 2008 and 2009 (Mainland) (Source: *Carta Social, 2000; 2004,2008; Data from Gabinete da Secretária de Estado Adjunta e da Reabilitação (2010)*):



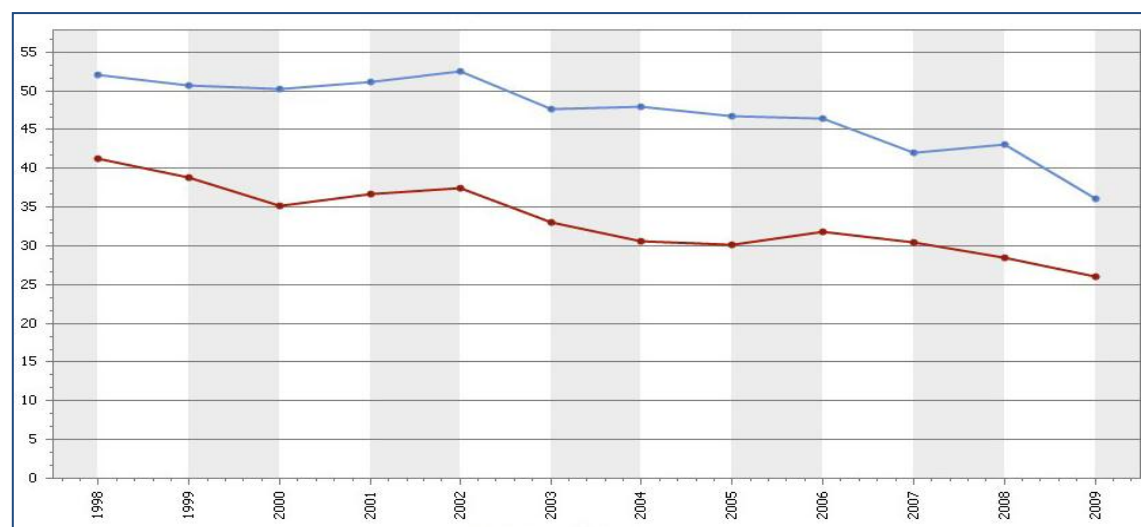
EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Higher education graduates by education subsystems, 1995-2007. The blue line represents public higher education, the grey line represents private higher education; the red line represents the figures for both systems combined.

Progress is significant: the rate has been doubled, an important step forward has been realised. A problem remains: students tend to take a lot of time before finishing their degree.



Rate of early school leaving: total and per gender. The red line represents the rate for the female population, the blue one for the male population. There was a real problem in 1998: about half of the pupils left school before finishing secondary education. The situation has improved but Finland, for instance, doubles the figures of Portugal in 2009.



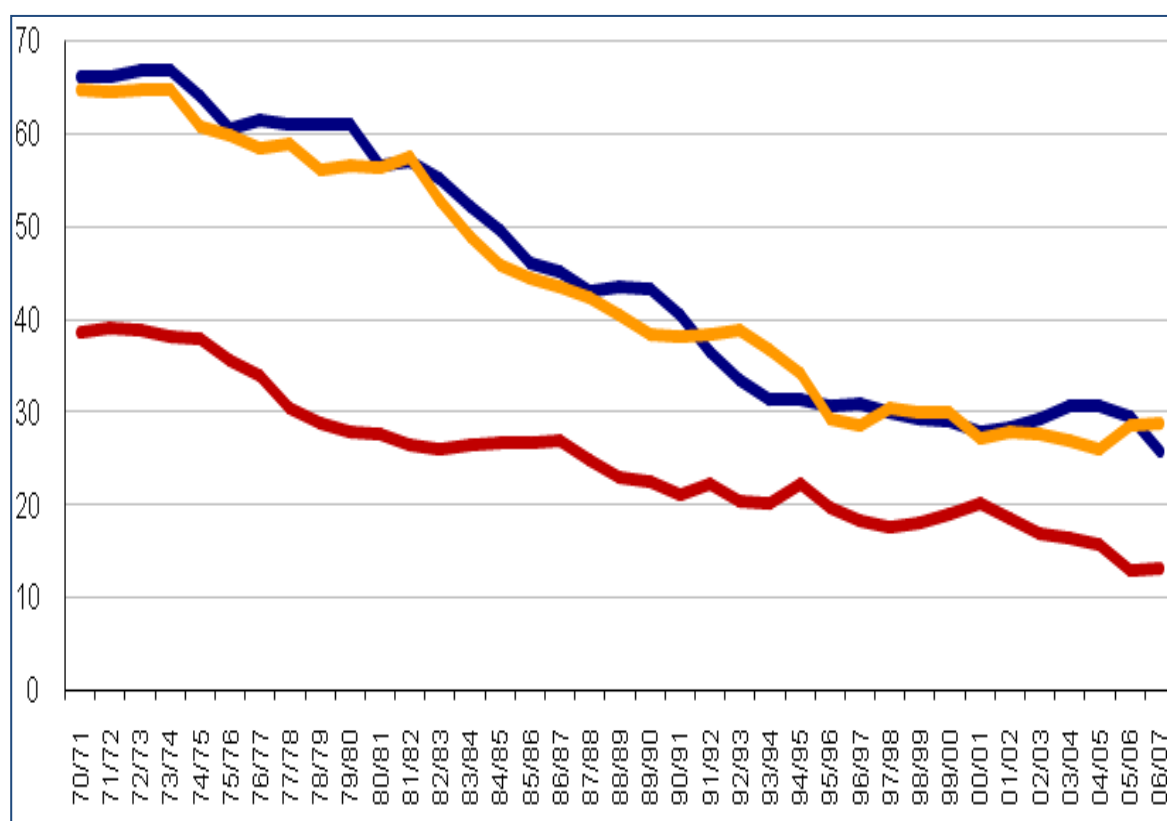
EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Rate of the population between 20 and 24 year having completed, at least, secondary education; and the rate of the population between 18 and 24 year having completed, maximum, the third cycle of primary education.

Níveis de conclusão dos jovens do ensino secundário (%)			Abandono escolar precoce (%)					
			Total		Homens		Mulheres	
	2002	2007	2002	2007	2002	2007	2002	2007
EU 27	76.7	78.1	17.1	14.8	19.3	16.9	14.9	12.7
Zona Euro	72.7	74.5	19.3	17.1	22.0	19.6	16.6	14.5
Bélgica	81.6	62.6	12.4	12.3	14.9	13.9	9.9	10.7
Alemanha	73.3	72.5	12.6	12.7	12.6	13.4	12.6	11.9
Irlanda	84.0	86.7	14.7	11.5	18.4	14.2	10.9	8.7
Grécia	81.1	82.1	16.7	14.7	20.7	18.6	12.6	10.7
Espanha	63.7	61.1	29.9	31.0	36.4	36.1	23.1	25.6
França	81.7	82.4	13.4	12.7	14.9	14.6	11.9	10.9
Chipre	83.5	85.8	15.9	12.6	22.3	19.5	11.0	6.8
Lituânia	81.3	89.0	14.3	8.7	15.1	11.4	13.4	5.9
Luxemburgo	69.8	70.9	17.0	15.1	14.4	19.2	19.6	11.1
Hungria	85.9	84.0	12.2	10.9	12.5	12.5	11.8	9.3
Malta	39.0	54.7	53.2	37.6	56.5	41.5	49.7	33.3
Holanda	73.1	76.2	15.0	12.0	15.7	14.4	14.3	9.6
Portugal	44.4	53.4	45.1	36.3	52.6	42.0	37.5	30.4
Finlândia	85.8	86.5	9.9	7.9	12.6	9.7	7.3	6.3
Suécia (2)	86.7	87.2	10.4	12.0	11.4	13.3	9.3	10.7
Reino Unido (2)	77.1	78.1	17.8	13.0	18.8	14.6	16.7	11.4

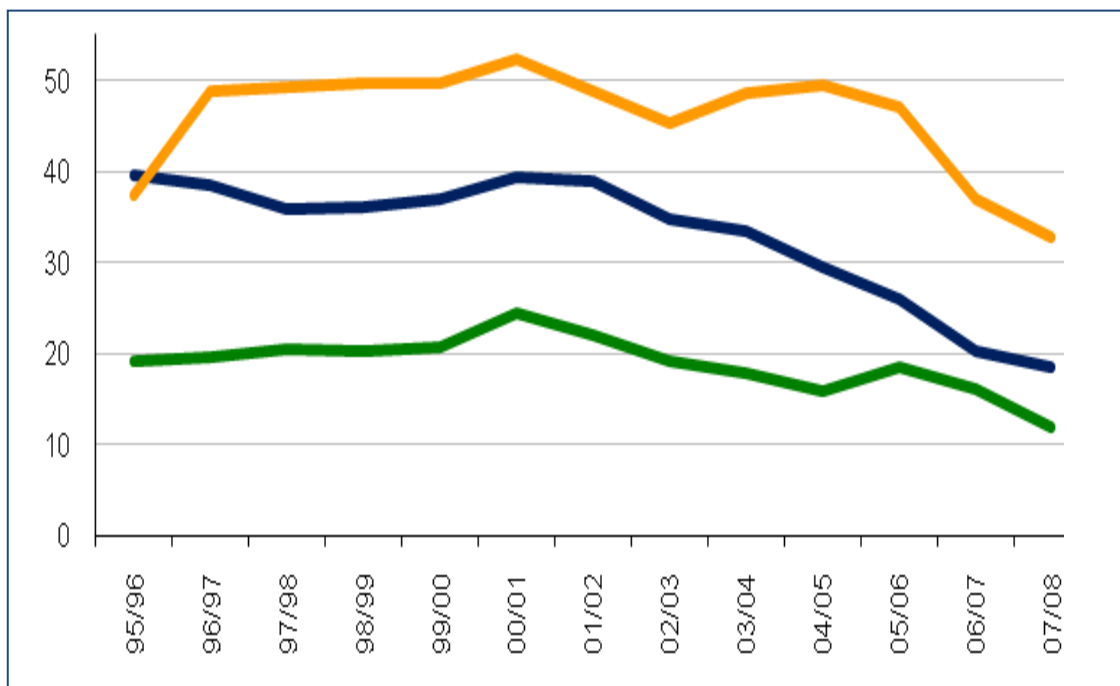
EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Proportion of students behind in basic education by level of education per academic year, evolution from 1970 until 2007. The red line represents the first cycle, the blue one the second cycle, and the orange one the third cycle.



EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Proportion of secondary school students who have withdrawn or withheld, according to grade, per school year. Public and private education. The black line represents the percentages for the 10th year, the green one for the 11th year, the orange one for the 12th year.

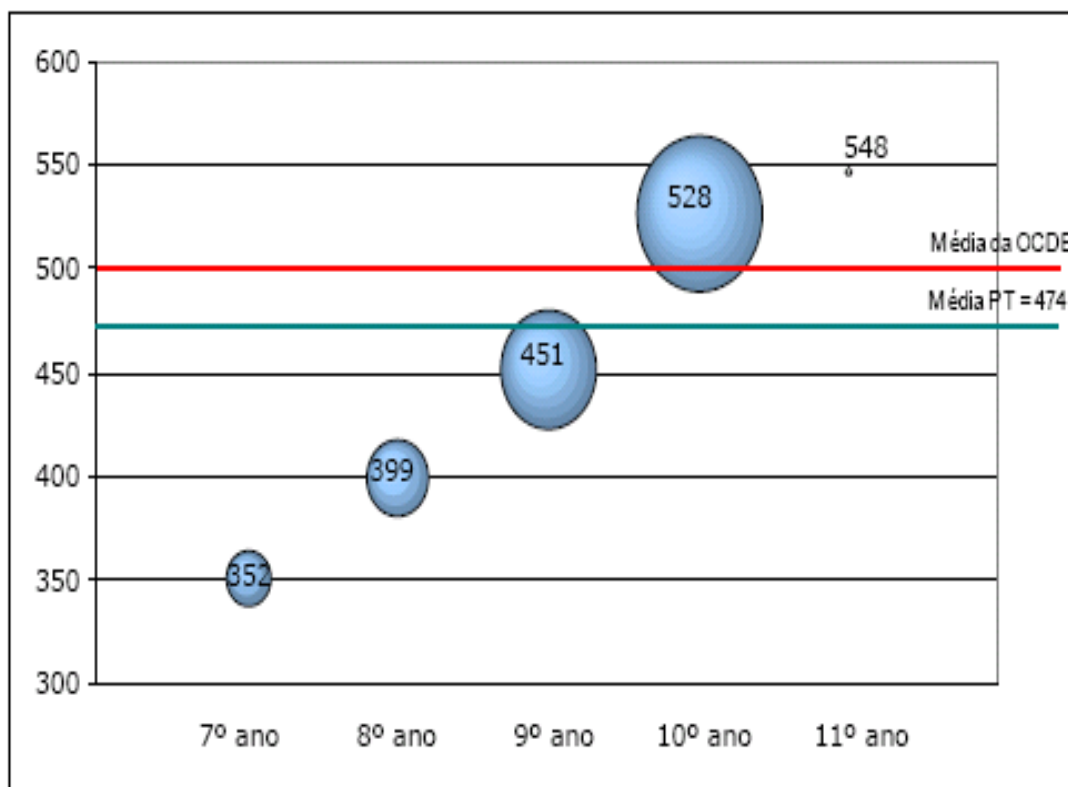


Rates of repetition and retention are high: the Portuguese education system seems not to be able to help pupils with learning difficulties.

Moreover, the impact of the socio economic background is above OECD average, whilst the performance is below OECD average.

About 42% of the pupils in basic and secondary education get some kind of social or economic support. (45.8% in primary education; 31.6% in secondary education).

Performance in science according to the year of schooling 2006 (Source: PISA 2006). The red line is the OECD level, the green one is the Portuguese level.



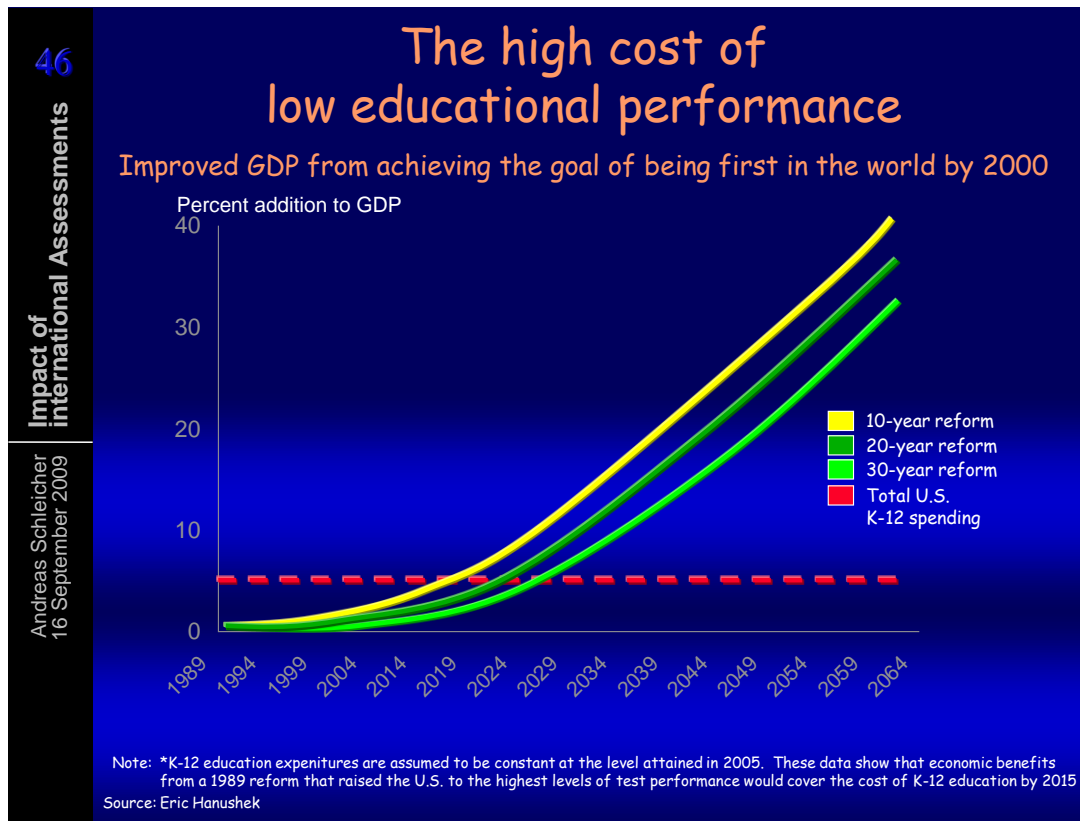
On the basis of these graphs we have seen so far that the Portuguese education system, which is traditionally a very centralized system with a low level of school autonomy, where teachers are civil servants selected by a computer and secured for a job for life, represents **high rates of early school leaving** and **low rates of completion of secondary education**.

Students' performance is below average, there is a strong impact of repetition and a strong impact of socio-economic background.

During the last 25 years, important achievements have been made, but not enough. Rates of retention and repetition remain high.

The costs of underperforming. Spending and investment in education.

According to Andreas Schleicher (OECD, The high cost of low educational performance, September 2010), you can look at the long term impact of skills, in terms of economic output. You can see that, basically the added level of economic output from improved performance on assessments in PISA is just very, very huge. If the United States, in the year 1989, would have actually done what they said.. By that time they said, "we are going to become the best education system in the world". If they had achieved that, by the year 2040 the added economic output would have paid for the entire education system.



If what Andreas Schleicher says is true, if the impact of good performance in education is that high, we have to be extremely careful in how and how much we spend on education.

EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

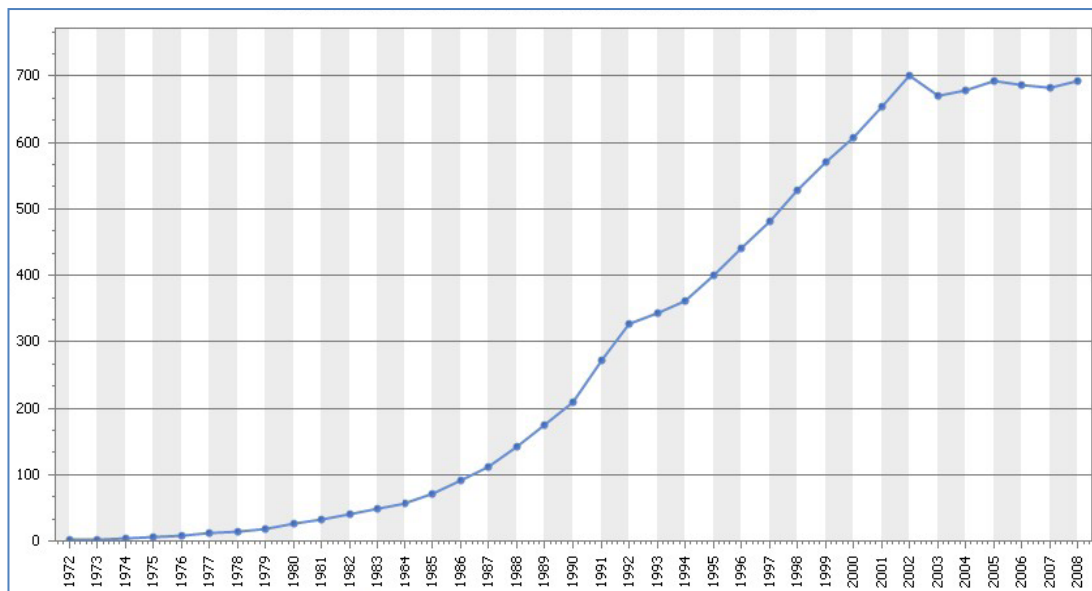
In the slide below we see that Portugal compares rather well with the OECD average.

Annual costs of education per pupil/student and per level of education, in USA dollar, including all services, 2006.

	From primary to higher	Primary	Secondary	Higher
OECD	7.840	6.437	8.006	12.336
EU -19	7.682	6.479	8.116	11.620
Portugal	6.624	5.138	6.846	9.724

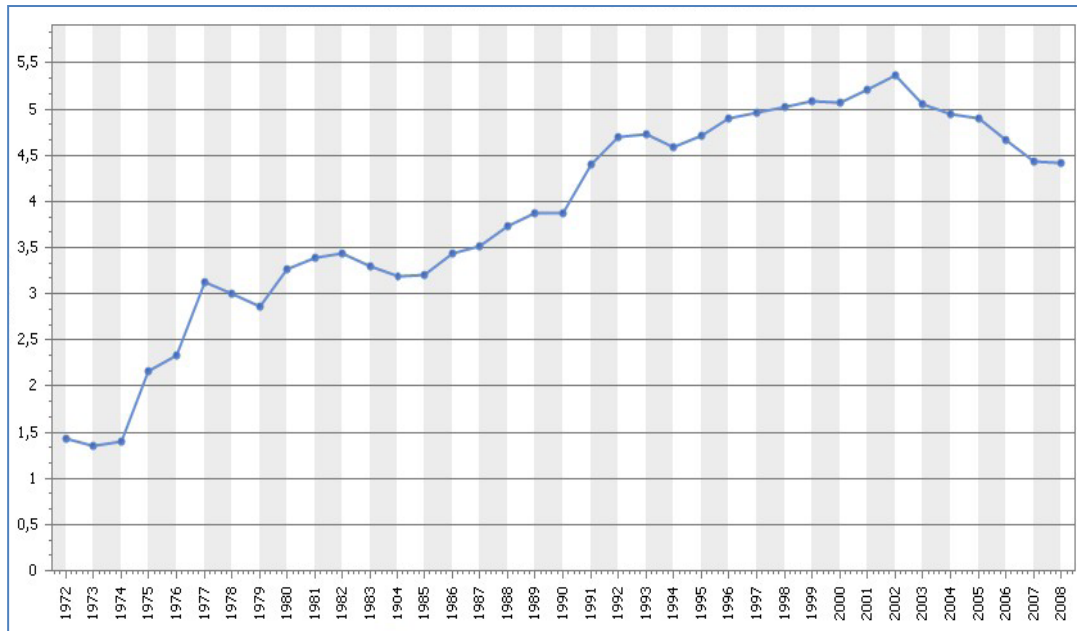
If we look at the spending referring to the GDP, we see a consistent growth from the seventies, with a change in 1992, and in 2002.

State expenditure on education: budget as % of the GDP:



EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

We see the same thing if we look at the state expenditure on education per capita: there is a consistent growth of spending on education.



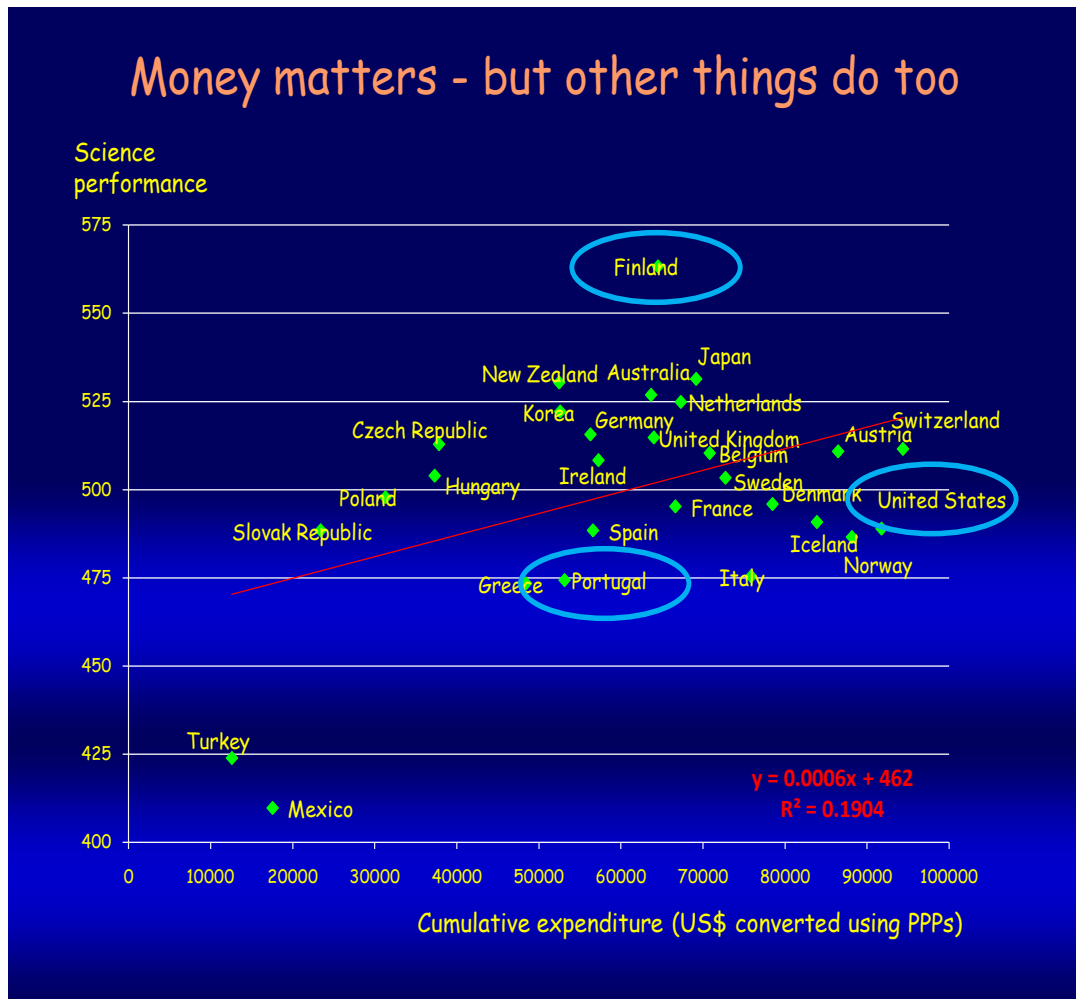
"When you look at spending per student in relation to GDP per capita, we find Portugal number one. In relation to its spending capacity Portugal actually invests a lot in education. No country in the OECD invests more per student relative to spending capacity."

(Andreas Schleicher)

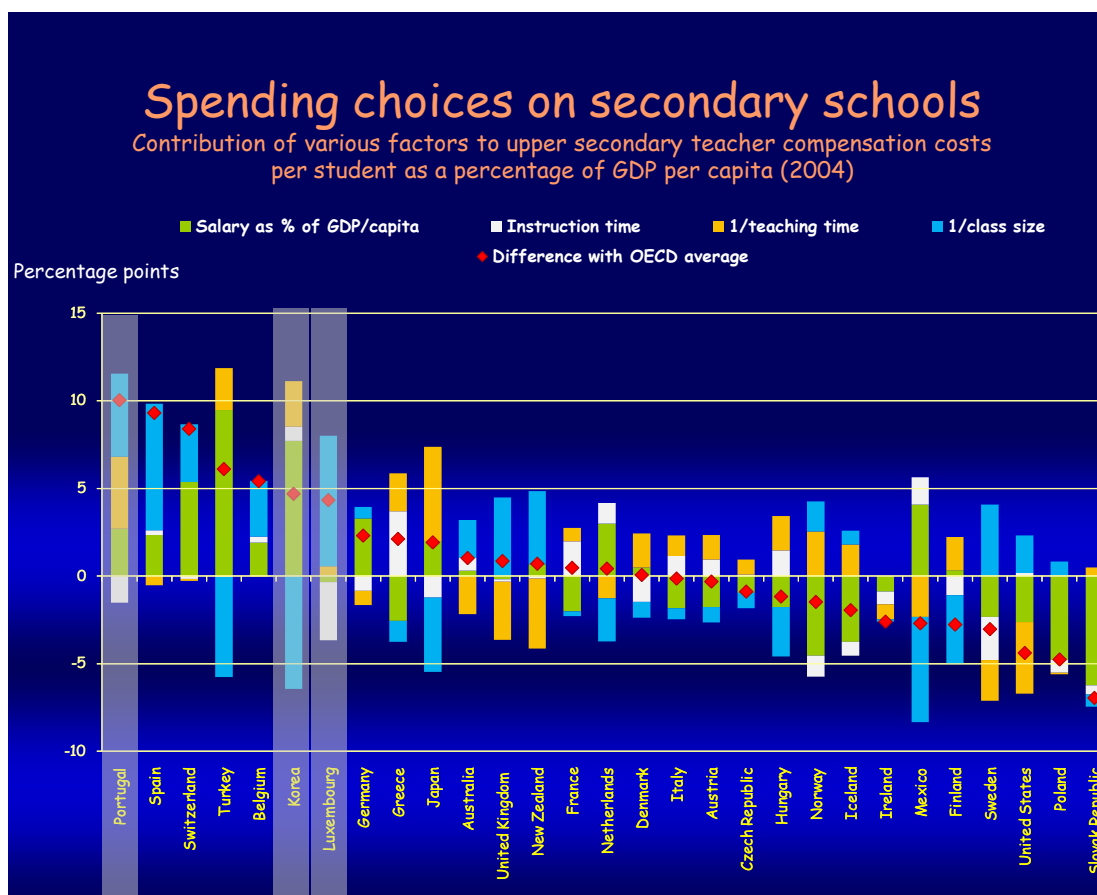
"Why is Portugal so expensive? Not because students have long school days, they have relatively shorter days than everybody else in other countries, but teachers are quite well paid, teachers have time for other things than teaching, class size is driving costs up as well. So in Portugal all of those things add up."

(Andreas Schleicher)

In the slide below we see that lots of countries spend less on education, but perform better, for instance in science.



As a consequence, it seems to be very important what we spend the money on. In the slide below, we see that, in this respect, Korea is a good example.



Some important changes and initiatives (2005-2009)

From 2005 until 2009, some important changes have been introduced in the following areas:

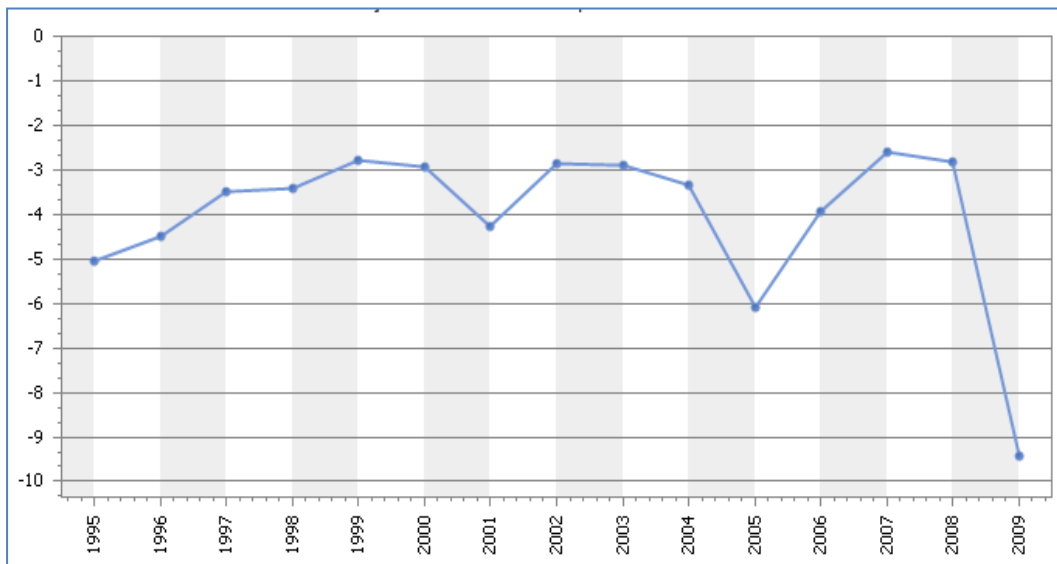
- Teachers career (progression)
- Teachers evaluation with impact on career progression
- Technological Plan in Education (computers for free, internet, Research and Development, innovation)
- New opportunities initiative (one million adults have applied for qualification)
- School governance (parents and communities participation, not teacher centred any longer)
- School leadership and management
- Closing down rural schools, merging schools
- Diversity of routes in secondary education (28000 to 125000 between 2005 and 2009)
- Transfer of competences on basic education to municipalities
- Clarification of the concept of special needs
- Full time school (English, music and PE for all)
- Higher Education lecturers career
- New model of governance in Universities and polytechnics (participation of the society)
- Bologna Process (Higher Education budget is 1.5%GDP, ¼ of the students have a grant)
- Retirement rules (affecting many teachers).

The mood changed:

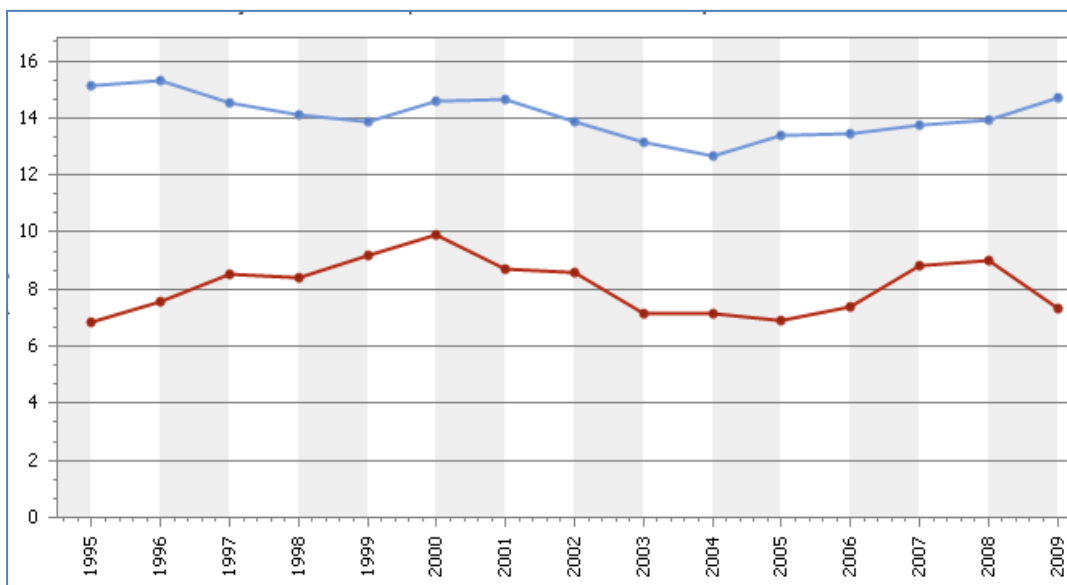
- There is a strong impact on dominant organizational and professional cultures
- There have been demonstrations: teachers came out to the street
- Better salaries for 2009 (link with the general elections)
- Some of the policies changed after the general elections with the new minority government.

The crisis and the government response

The Portuguese public deficit is growing, it is going up to more than 9%.



In the slide below we see that families (the blue line) are paying more taxes than companies (the red line).



In the period from 2005 until 2009 a real effort has been done to get the deficit back to the % imposed by the European Union. But in 2008 came the crisis:

- Cuts in expenditure and public investments
- Less civil servants: one for two (but not in the education sector)
- Trust agreement for Higher Education (100 million euro – 100 thousand graduates)
- Stimulus towards economic recovery
- Modernization of schools (300 million euro) (work for the building and construction sector)

Real salaries raised more than the productivity: the unit value of the work factor grew up – there is a high cost per unit produced). Knowing that, it means that Portugal has a problem in selling the units abroad.

New measures (the crisis after the crisis)

Some of the measures below are still being discussed, are not decided yet.

- More cuts in public investment (TGV, Bridge, Airport,..)
- Cuts in social measures to support unemployed
- Tax raises
- Civil servants salaries are frozen, including teachers, against the highest rates in 2009
- Reduction of 5% of politicians' and public administrators' salaries
- Close down schools with less than 20 pupils
- Merging schools
- Cuts in non teaching staff

The country as a whole has to carry out a real and great effort, it is a real challenge.

CONCLUDING IDEAS

1. Portugal needs to keep education at the centre of priorities (because of the high dropout rates, as illustrated in the first part of this presentation).
2. There is the need to avoid that the crisis has too much impact on education, but on the other hand it seems impossible to put more money in education.
3. There is the possible need to reconsider school autonomy. This is M. Miguéns' personal opinion. Linked to this, there is the need to reconsider the way teachers are selected and contracted.
4. There is the need to set up systems to support students with difficulties in order to avoid retention and to improve performances (Focus on students' results!).
5. Portugal has to increase the proportion of education spending on non-wages items.
6. Initial and in-service teacher education has to be reinforced (students results, support children to overcome difficulties..)
7. Diversity of routes to complete secondary education has to be reinforced.

EDUCATION AND BUDGETARY RESTRICTIONS
REFLECTIONS AND INPUT FROM OTHER EDUCATION
COUNCILS

Vlaamse Onderwijsraad (Flemish Education Council)

Mia Douterlungne

When the new Flemish government in June 2009 was composed, the majority parties agreed to save in all policy areas. In proportion to its share in the total Flemish budget, education has to save, in percentage, less than other departments. For 2010 we are talking about 72 million Euros, which represents 0.8% of the total education budget of EUR 9.3 MIA. For 2011, it is about 142 million Euro or 1.5% of the total education budget. By limiting the relative education savings compared to savings in other policy areas, the share of the education budget in the total budget increases (36.9% to 39%).

At first, the Minister of Education wanted linear savings of 1% on all the salaries of teachers. However, as there has been a lot of opposition from the unions, this has not been realised. All the decisions on the savings have been taken together, in consultation with the teachers' unions and had always the important motto: to save above the classes and not in the classes.

For civil servants in education, a linear saving has been decided: 5% on working costs; 2.5% on salaries (2010). This will be pursued in 2011: again 2.5% on working costs and 1.5% on salaries. There is also a cut of 20% in the area of communication. And 20% savings on the budgets for professional training.

The biggest savings are situated in the operational resources of primary and secondary schools (no indexation, no increases: 31.5 MIO). A second important item are the savings in innovative projects (14 MIO). A third measure cuts in the **framework** of primary and secondary schools: no more teacher replacements for short periods, no mentor - or coaching hours for new teachers, no hours for pedagogical coordination, no extra-framework of pilot projects, no premium for internships of teachers in companies (11 MIO). And in **higher education** there are savings in financing envelopes (reduction of 1.27%) and the postponing of a new education level between secondary and higher education (Hoger Beroeps Onderwijs).

Education is strongly marked by these savings: there is no real room for the implementation of new education policy. Many innovations that have been initialised by the previous Minister cannot develop and are on hold: the introduction of a new education level (HBO), the innovation in the field of cooperation of regular and special needs education, a stronger pupil guidance...

At the moment, priority goes to school building construction, because there is a capacity problem in pre-primary and primary schools, especially in urban areas.

Conseil de l'Education et de la Formation (Council of the French Community from Belgium)

Jean-Pierre Malarne

Until now, the crisis does not cause a lot of visible restrictions on education and training.

However, some measures scheduled earlier are deferred.

Some examples:

- ▶ A proposition of the Education Minister wanted to transfer the special funding for schools working with disadvantaged people from more advantaged schools. The proposition has been cancelled under the pressure of trade unions, but the funding will be partially differed to next years.
- ▶ In Higher Education, an important restructuration is planned. It's also planned to facilitate access to HE for disadvantaged people, to increase guidance and remediation, but this has to be done without any change in the budget.
- ▶ For education for adults, funding for remediation is divided into two.

But it's difficult to determine if those restrictions are directly due to the actual crisis or if they were structurally planned in initial political orientations.

It's important to underline that the restrictions affect special funding for action for disadvantaged people who are the first victims of the crisis.

On the other hand, there was in Wallonia, before the crisis, a plan (named Plan Marshall) aiming to revitalize economy and to reduce structural

unemployment. In this strategy, actions which aim to support education and training are planned. Those actions continue now, despite the crisis.

There is thus a tension between

- ▶ investment in education and training as factor of increasing economic development and social cohesion;
- ▶ necessity to control the budget.

To sum up, **we have to do the best with same or lower funding.**

The CEF, the Council of Education and Training of the French speaking Community of Belgium, has a message to the other Councils:

It wishes to express its concern with the restriction in Education funding occurring now in some new Member States of the EU.

Qualifications and Curriculum Development Agency (England)

Natalia Cuddy

The UK experienced a significant economic downturn during 2008-2009. It is widely acknowledged that the recession brings both economic and social challenges. The recession has led to an increased public debt and government's decision to curtail public expenditure. The UK budget deficit reached €161 billion by 2010, the highest of G20. As part of the €4.9 billion cuts across all public spending in 2010-2011, the past Labour government intended to introduce substantial funding cuts in the further and higher education sectors and some skill investment programmes, while ringfencing the funding of schools. As the unemployment has risen significantly since the start of the recession, the government's policy initiatives in this area are warranted, particularly those dealing with the young unemployed and some other vulnerable groups. OECD warns that given the cyclical rise in unemployment, it will be a significant challenge to ensure that joblessness does not become entrenched, even if the UK labour market is relatively flexible.

In May 2010, the new coalition government announced further cuts in education and training sector across the UK, as part of the €7.1 billion savings in 2010-2011 in order to sustain economic recovery. The Secretaries

of the State agreed with Treasury and the Bank of England that the foreseen savings on this scale are feasible and advisable.

The government plans that savings will be taken out budgets, without affecting the quality of key frontline services, which includes education, and to cut waste of public institutional administration (€710 million on quangos, such as QCDA and Becta), leading to a substantial loss of jobs in the public sector (estimate up to 300,000).

In terms of education, spending on programmes, such as Sure Start (pre-school education) and Diploma, new applied qualifications, and other for 16-19 year olds will be protected from any in-year spending cuts.

At the same time, substantial cuts are expected to affect young unemployed. The government is to end further rollout of temporary jobs through the Young Person's Guarantee (the 'Future Jobs Fund', an active labour market policy under the Labour government)

Estonian Forum of Education

Ene-Silvia Sarv

With regard to the budget debates and economical crisis the trust has declined drastically in government, parties and politicians. Faith in democracy and education was little affected but still.

As educational reforms (state curriculum, new law of school, structural changes in general education, vocational and Higher Education) are in the state of development, they are affected

- by the demographic processes (rapid decline in the number of children and young people, a rapid increase in the number of pensioners);
- by decrease of education funding, management and training costs, which also affects the quality of management;
- by the drop of parents' and teachers' incomes, which reduces their performance and commitment, increases workload, also are students increasingly forced to work instead of learning.

The Estonians are less worried and did not experience such a deep depression compared to Lithuanians and Latvians, but around 15-20% of unemployment, mostly for long period, has been experienced last year.

However, there has been the demand in Estonia that the government should reduce income differences, and support low-income groups, but the aid in this direction has even declined. Current statistics has shown, that from all economic aid about 60% goes to those 40% who are anyway coping better. The most influenced are families who have children, especially 2 and more children. So more than 30% of children live below the poverty line and the % is increasing despite first signs of the decline of unemployment.

As a result far too many children are deprived of the opportunity to receive quality education, participate in interesting activities and sports or have to stop those activities, that has profound social consequences. In general satisfaction toward education and health services has slightly increased, increasing is the number of users of the Internet and e-mail in all age groups. The economic crisis has not stopped the internetisation, but has reduced the number of social contacts.

The increasing social stress further enhances the already unprecedented high alcoholism and drug addiction, depression and suicide risk, as well as trends in violence and aggression in schools, in families, at the streets.

Human development report 2009

During the economic upturn there was the focus of human development gap, which demonstrated the need to contribute more resources to social development.

Now there is much more reasons to discuss the education and human development from another perspective – as a resource that allows (or does not allow) the society to cope with difficulties.

The crises have affected broadly the values, lifestyles, human relations, education and culture.

Therefore, the danger zone is that of young people's lifestyles and values, quality of life of the young generation. Human Development Report shows the increase of facts of drug addiction, alcoholism, school and street violence. Research has shown that more than half of school-students in general education experience their school climate as cold or indifferent towards them: so we see, that there is the lack of contact between youth and the older generation, students and teachers, in general there is the lack of positive socialisation environment (which includes family, school, extracurricular, leisure environment and the media). However, international education studies also show that the current educational system in Estonia ensures that the majority of young people are good in subject-field, but does not provide enough opportunities for young people in personal development and values education.

Resources and obstacles to overcome the economic crisis:

EDUCATION AND TRAINING IN A PERIOD OF ECONOMIC CRISIS

Resources	Obstacles
The high average level of education and training and involvement	Large dropout rates; non-compliance of the content and structure of education with labour market needs
Growing integration between Estonian and Russian speaking younger generations, better job-opportunities and increasing social inclusiveness.	Higher unemployment and economic vulnerability of Russian-speaking population, especially among low language proficiency of non-citizens, the Russian population increased distrust and dissatisfaction with government institutions and policies of the Estonian state and the country at the same time, heightened expectations of security and prosperity of the countryside. Social exclusion and alienation syndrome
The overall improvements of life quality, including improvements in living conditions, families of non-food expenditure growth, active travel, etc.; increased participation in NGOs.	Increasing difference in the quality of life between young and older, and wealthier and less wealthy population groups
<p>Overall Internet access and Internet services from the spread of all nation as an important factor in the quality of life, widespread use of the Internet will increase citizens' opportunities to interact with the public, public authorities and other agencies via the Internet will increase the transparency of the operation of the public trust and participation opportunities, and public control over policy making.</p> <p>Open access to relevant information increases people's ability to cope with the crisis alone; internet-communities are able to smooth the social risks and crises, increase the expression of solidarity and mutual aid recovery.</p>	<p>The varying levels of Internet usage according to nationality or language or age increase the risk of social inequality and exclusion, where the Internet will become the sole or dominant power in the public service or as information resource.</p> <p>Low awareness of Internet-related risks in society, particularly children, parents, generation, including widening chasm between the students and teacher internet-competencies.</p> <p>Internet – arena of social expressions of hatred and other negative emotions, which can amplify a crisis to panic or to increase the risk of social and ethnic conflicts, the Internet makes it possible to manipulate the public.</p>
A low unemployment rate;	Lack of active labour market policies;

Relatively high activity of older workers at labour market;	Lack of opportunities of re-training to allow labour market flexibility;
Labour market flexibility guaranteed at the level of the company.	Shortage of childcare facilities.

Some aspects/examples of coping to economic crises

- Organized re-training of unemployed people (free of charge, during the first unemployment year), project based..
- In Vocational education:
 - o Increasing number of students choose or return to professional schools.
 - o Teachers' salaries are made more competitive (because of overall drop of salaries).
 - o Concern about number of the dropping out children (because of economic reasons) began to increase, so the school decided to start offering a free lunch (Haapsalu vocational education centre), morning-mash (Viljandi Joint Vocational High School).
 - o The amount of students getting special allowance has increased from 5% to 20% (maximum rate by law).
- Informal and hobby-education for children has been depressed – centers for music, arts, sports etc. have lost about half of the children. Previously, the main motive for leaving was sickness or lost of interest. Last year for 50-60% of leavers the problem was economical. Often, children do not want to admit that the family's money is limited, it is embarrassing to them. The state and municipality support is rare or missing at all.
- Teachers in many municipalities are forced for unpaid vacation.
- In higher education
 - o A significant reduction of pay-per-student,
 - o Shortage in salaries and work-trips (conferences etc), shortage in research funding for teaching staff.
 - o State-financed students - the growth of competition and the rapid increase in the number of students.
- Some tendencies
 - o To increase the number of students in higher education and especially in certain needed specialties - project "Return to college-university" – possibility to continue studies for free (university-leavers who had previously completed ½ of studies).
 - o To make universities and high schools more competitive – to cut down the numbers of schools/higher education institutions and parallelisms in specialties.

Finally:

Employers are looking, above all, at the experience or the education of people. Often the misdoings of general or higher education are underlined:

Job-seekers have difficulty in writing CVs and other needed documents; self-expression is lost both in spelling, as well as in representing or "selling" himself.

Applicants have non-relevant self-picture (competences, professional skills) and salary-hopes are still unreasonably high and so on.

Finnish Education Council

Matti Lahtinen

The prevailing economic recession has had an impact on the Finnish education system at various levels and sectors of education. There are demands for increasing the productivity of education. The basic structures of education have not been touched, and education and training leading up to qualification has remained free of charge at all levels. The number of schools, colleges and universities has been cut down, but there is still education available to a considerable extent.

Unlike in the 1990s, the government has not reduced funding for education or for any other welfare services during this recession. On the contrary, extra funding for education has been reserved in the government budget. For example, this year, organisers of basic education are granted EUR 30 million of extra funding allocated for reducing the size of teaching groups. However, in order to maintain the level of funding, the government has had to significantly increase borrowing. The Finnish government sees education as an investment in the future, which must not be compromised even during a recession.

The local authorities, municipalities, are mainly responsible for providing welfare services, such as education, and for the quality of education. Government funding accounts for approx. one-third of the expenditure on basic education, general upper secondary education, vocational education and training, and polytechnics. Municipalities meet about two-thirds of the costs. Municipalities have a right to levy taxes. The financial situation of municipalities has become more difficult during the recession as their tax revenues have diminished. There are great differences between municipalities. Some of them are very small and have great financial

problems. In the past few years, many municipalities have been consolidated, but there are still almost 350 municipalities in Finland.

The problems of municipal economy have impaired the quality of education. In practical terms, this can be seen, for example, in the closing of schools, longer distances between the home and school, larger teaching groups, a narrower range of courses, and reuse of old study materials. Some municipalities also lay off their teachers from a few days to a few weeks, which means that, based on the employer's decision, some teachers are absent from work without pay and other teachers will have to cover for them. Currently, we are aware of teacher layoff decisions in 14 municipalities this year. There are great differences between municipalities.

Lithuanian Council

Emilija Sakadolskiene

The previous Social democratic government went on a spending spree that left the present center-right government holding the bill. The subsequent financial crisis made things even worse. We could not borrow money at reasonable rates, like the larger Western countries, so Lithuania had to cut spending in every possible area. The government did not want to go to the IMF (like Latvia) since we then would then have to comply with rather draconian regulations.

The impact on education was substantial. Fortunately, the 25 percent cuts did not significantly affect teacher salaries. Educators are considered rather fortunate, since salaries in the public sector were cut across the board. Teachers now have a salary freeze, but no substantial cuts. The planned incremental increase in salaries, however, has been put off for a better day. Most of the cuts affected infrastructure and after-school programs. Also, many small schools were closed. This was a very controversial issue, since school closings affect the viability of small, rural communities. School policy can have a great impact on the demographics of Lithuania.

There have been many reforms in Higher Education, especially in financing. These reforms were begun before the onset of the crisis. About half of the students receive free tuition. The others pay rather substantial amounts, depending on their major. The costs, as well as the quality of higher education have resulted in a marked brain drain to other countries; especially the ones that offer free or minimal tuition. In Lithuania mobility is not always perceived as positive. It is a two-edged sword.

One area that is receiving great attention is the improvement of teacher education. This year motivational screening is being introduced for new students. Many teacher education programs are being restructured and include more mentoring, practicum and reflective practices. Also, the government allocation per student in pedagogical studies is being doubled to allow for improvements and expanded practicum.

The financial crisis also resulted in a “leaner” Ministry of Education and Science. However, Lithuania is still in the EU structural funds phase and the shortfall is skirted by some worthwhile projects, i.e. leadership, curriculum reform. VET, etc. These are especially needed in times of crisis, when change is inevitable anyway.

Statements

EUNEC discussed education and training in a period of economic crisis, together with experts from the national councils, from the organisation 'Education International' and from the European Commission. The European councils gathered in Limassol: representatives of the government welcomed the participants and presented a picture of the investments in education, even in a period of crisis. EUNEC formulated critical remarks and statements on this issue.

EUNEC wants to disseminate these statements pro-actively towards the European Commission, the European Parliament, relevant DGs. EUNEC also wants to promote actions by its members at national/regional level. These critical remarks and statements offer an input for national advisory opinions of education councils. They should provide a significant input for reflection and action by relevant stakeholders in the field of education and training such as providers of education, teacher trade unions, social partners, experts in the field of education and training.

THE IMPACT OF THE CRISIS ON EDUCATION

Negative effects

European countries are just starting to feel the impact of the crisis on national budgets. It is clear that some countries yet feel the impact of important economic measures, particularly in Central and Eastern Europe. It is not yet clear what price education will pay. In Western Europe, measures often have caused a reduction or a delay in new projects and new investments.

Loans will certainly continue to have a negative impact on education and will exacerbate developments that are already taking place.

It is important to continue to commission research during a crisis like this in order to evidence the impact of such crisis and to guard against an erosion in the quality of outcomes and opportunities for our children/students.

Reduction in the investment for education would be disastrous for social cohesion: the risks for those groups most at need (minority groups, lower skilled, those with special educational/social needs) are great. At the same time, people without qualifications risk to be more and more excluded from work and social provisions.

The need for substantial financial cuts and shrinking budgets should not become an obstacle in the implementation of educational reforms; cuts in the budgets should not be aimed at the development expenditure, but at operational costs.

In the perspective of budgetary constraints, the impact on the teaching profession is a crucial one. The attractiveness of the teaching profession should be one of the corner stones of budget policies. Economic cuts should not impact teachers by increasing workloads, hiring of unqualified – but cheaper – teachers. Performance related assessments should not tie salaries to standardized test results.

Improving lifelong learning is an important factor in order to counter the negative effects of the crisis.

Opportunities offered by the crisis

The global economic crisis has provided the opportunity to pause and reflect on our education systems, how they are funded and what their priorities should be.

The crisis can provide a drive to optimise the efficiency of available resources in order to continue the efforts without any compromises or reductions to quality: money has to be channelled to the most problematic areas.

In responding to this crisis, we also have the opportunity to acquire experience, skills and knowledge which may enable us to anticipate and manage future crises. It can be more democratic – it is learning democracy.

This crisis has encouraged European countries to come together and to share experiences and questions. We now need to further develop networks for the effective transfer of skills and experiences. The education councils have a crucial role in this process.

THE BENEFITS OF INVESTMENT IN EDUCATION ON SOCIETY

The return of investments in education is an important issue in a period of crisis. Is there a true causal effect between investments in education and benefits for society?

Figures support this supposition: education and training are central levers not only in tackling the present economic crisis but also in preparing a more sustainable, social and innovative society. Research (meta analysis) shows that the rate of return to a year of education is between 7 and 9% and has increased the past twenty years.¹ Underperforming in education is simply too expensive: there is a clear added economic value.

Moreover, investing in education has important social returns: 5 to 9 %. Education contributes to better health and longer life expectancy; education reduces social costs of health, criminal justice and social security; education contributes to social participation and social cohesion.²

Investment in education is an investment in progress in the socio economic and cultural domains, in both the long term and the short term; results will not always be immediate.

However, research results are not always reliable and harmonized. There is a need for more meta analytical research and interpretation of the causes and effects of investments in education and human development to inform the whole community, especially during the economic and social crisis.

For education councils it is important to have and expand this evidence that education has causal effects on crime, justice.. It is a strong argument towards the government for reallocation of budget to education and training. Policy makers, employers, parents, community need to be aware of the benefits and act accordingly.

EUNEC thinks that education has to be considered as an investment, more than as a cost. National councils are well placed to argue and to disseminate evidence that proves the benefits and the returns of investments in the economic and in the social field.

¹ Orley Ashenfelter, Colm Harmon & Hessel Oosterbeek (1999), 'A review of estimates of the schooling/earnings relationship, with tests for publication bias', Labour Economics 6, p. 453-470

² Lange and Tope, 'The social value of Education and Human Capital', 2006, Handbook of Economics of Education Volume 1, p. 459-509 and J. Huang, H. Maassen van den Brink & W. Groot (2009), 'A meta-analysis of the effect of education on social capital', Economics of Education Review 28, p. 454-464

A MORE EVIDENCE BASED POLICY WITH ADEQUATE USE OF BENCHMARKS

As a means of monitoring progress and identifying challenges, as well as contributing to evidence-based policy making, a series of reference levels of European average performance ('European benchmarks') were agreed on by the Education, Youth and Culture Council meeting (12 May 2009). They should support the strategic objectives outlined in the Council Conclusions. These benchmarks build on the existing ones adopted under the 'Education and Training 2010' work programme. According to the Council conclusions, these benchmarks should not be considered as concrete targets 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 benchmarks through national actions.³

According to the Spring Council Conclusions of 25-26 March 2010 on 'Europe 2020', there is agreement on 'headline targets', that are interrelated and mutually reinforcing. They should help measure progress achieved in implementing the strategy. While some of these targets are reflected in EU legislations, the others are not of a regulatory nature and do not imply burden-sharing ; they represent a common aim to be pursued through a mix of national and EU level action. ⁴

Benefits

A lot has been achieved thanks to the European Union benchmarks: they launched the debate, they put important issues prominently on the agenda (early school leaving, participation in lifelong learning,...). The targets have stimulated policies; at least they opened up the narrow national perspective.

In order to justify the spending on education, benchmarks play an important role (accountability of the education system).

The method of benchmarks and indicators is useful as a reference; individual nations can use them as tools for their development and learn from each other.

Pitfalls

Benchmarks are an instrument for comparison, but cannot be considered as a value in se. Benchmarks should reflect the complex reality of education. By nature, benchmarks inform about what is at the surface: they don't show that progress can be made underneath, in the quality of education. Benchmarks can therefore not replace critical analysis.

³ [Council Conclusions on a strategic framework for European Cooperation in education and training \(ET 2020\)](#)

⁴ [European Council Conclusions on 'Europe 2020': a new European strategy for jobs and growth](#)

The indicators and benchmarks have to be based on research. Policy and research should be more connected in this area. There is a need for internationally comparable data. In this respect EUNEC welcomes the work on ICCS (International Civic and Citizenship Education Study).

Benchmarks should not only reflect the actual achievement of the Member States, but also the progress that was made according to their different starting positions.

National benchmarks.

In the most recent European documents we read that Member States will be asked to agree on national benchmarks in the same fields as the existing European benchmarks. This is a completely new development. Although these national benchmarks might raise the degree of responsibility of the national education systems, there is a true risk that the European dimension will be lost; national benchmarks might become important at the expense of the European benchmarks. A compromise will have to be found between the national and the European logics.

Education councils should be involved in the national targeting exercise.

The impact of the crisis needs to be born in mind when considering a country's progress towards EU benchmarks.

Which benchmarks?

Two benchmarks agreed on by the Council of Ministers for Education in 2009 are about to be numerically fixed by the Spring Council meeting of 17 June 2010, in the framework of the Europe 2020 strategy.

The benchmark for higher education should be enlarged to different forms of tertiary education. A well qualified working force does not mean that all need to have a bachelor or a master degree. Raising qualification levels should take into account the value of Vocational Education and Training. Moreover, this benchmark needs to be fine tuned taking also into account the socio economic background of the students in order to develop efficient policies concerning participation in higher education.

The benchmark for early school leaving is not clear: there is again the need for more internationally comparable data on what is meant by 'early' school leaving.

EUNEC states that, within the discussion on new benchmarks, the happiness factor is an overlooked variable that needs to receive more attention.

The role of education councils

Discussion about the national benchmarks is not on the agenda of several national/regional education councils. National/regional education councils will try to raise awareness and to put these national benchmarks on the agenda of their policy makers.

In this respect, education councils can learn from each others' experiences within EUNEC.

List of Participants

Speakers

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