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File for Commissioner Andor

CEDEFOP Agora Conference on vocational education and training
“A bridge to the future: European VET policy 2002 to 2010”

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A. Closing speech

Ladies and gentleman,

This conference has made it plain that a strong human-capital base is the key to competitiveness, employment and inclusiveness.

That will be even truer in the future. By 2020, 35% of jobs are expected to require high-level skills, and half of all jobs medium-level skills. That is a tall order in today's European Union, where 80 million adults have basic skills only, and do not meet the minimum requirements for getting into the labour market.

That is why vocational education and training is crucial to high employment and quality jobs — crucial both for preparing young people for getting into the labour market and for keeping adults in — or helping them get back into — work.

Modernising our vocational education and training systems must therefore continue to be a high priority for national and EU policymakers and stakeholders. But the fast changes affecting the labour markets are a constant challenge to their modernisation.

The recession has hit labour markets very hard. On the plus side, it has taught us what needs doing if our workforce is to become more resistant to economic volatility.

I want to highlight three ways in which better vocational education and training delivery and outcomes could be positive for employment:

- first, building a bridge to the labour market for young people;
- second, developing competencies;
- and third, stimulating lifelong learning.

Last Thursday we had a very useful conference here in Brussels, in which – among other speakers - Cypriot economist and winner of the Nobel Prize for Economics, Christopher Pissarides spoke about the future of the European labour market. As he put forward, traditional fiscal tools alone are not enough to increase the employment rate in the Member States. There are some sectors in which we can and others in which we cannot compete with countries like China. The most promising sectors – besides the high-tech – are the education, the services and the health, including the care of the older population. There is a

big future for white coat jobs in the health and care sector, which of course requires special skills, vocational education and training.

The Commission just launched a Communication on a Roadmap for moving to a low carbon economy in 2050. It underlines that Commission is currently working on assessing the employment effects of greening the economy, as for instance the implementation of the Agenda for New Skills and Jobs. Greening our economy is not just an obligation, but also a chance to create new jobs – but it is impossible without proper education and training.

The same day – on 8th of March, the International Woman Day by coincidence – the College of Commissions launched another Communication on the Energy Efficiency Plan 2011. As my colleague Commissioner Oettinger put forward, the whole Energy Efficiency Plan could create up to 2 million jobs in Europe. But of course the transition to energy-efficient technologies requires new skills, environment-conscious vocational education and training both in the construction and many other sectors.

So there are certain sectors where there are huge possibilities for job creation, for the smart growth, but it cannot happen without providing new skills.

[Building a bridge to the labour market for young people]

Young people are suffering from record high unemployment in the EU. There are more than five million young people under 25 on the labour market who cannot find a job. This is an acute economic and social problem, in which vocational education and training can play a big role.

Witness the fact that Member States with effective vocational education and training systems have the lowest youth unemployment rates — namely Germany, Austria and the Netherlands — and also the highest employment rates for young people.

The Europe 2020 headline target for education — for at least 40% of the younger generation to have a tertiary education qualification and for early school-leavers to make up no more than 10% — calls for at least half of all young people to be equipped with a medium-level qualification, and have completed their upper-secondary education.

For the EU as a whole, this means closing an average gap of around 10%. For some countries the gap is much wider. In addition, unemployment of low-skilled youth is 10 percentage points higher on average than for better skilled youth. During this recession, the rise in unemployment among young people has affected the low-skilled most — also nearly 10 percentage points.

Despite high unemployment, many vacancies are still difficult to fill. From a labour-market perspective, vocational education and training can play an important role in easing transitions from school to work for young people when it includes apprenticeship opportunities.

While the practical, work-based learning aspect of vocational education and training is its winning feature, an effort should also be made to improve the quality of its theoretical component.

This may help to ensure that vocational education and training is recognised socially as a valid educational option, rather than a last resort for low-achievers.

It is vital for vocational education and training to be linked with business, so the right skills are developed for the right sector. The modernisation of vocational education and training also calls for new and better connections with universities, so theory and practice are combined to a greater extent.

Overall, it has become clear that putting study and work into separate compartments is not a winning model for employability.

[Developing competencies]

The second point I want to highlight concerns the development of competencies in vocational education and training. Labour markets are increasingly looking for workers with transferable skills, such as IT skills, those connected with new technology and green technology, and a range of management competencies and innovative skills.

More frequent transitions during working life, coupled with greater diversity and mobility in education and training and on the labour market, make such general skills and competencies more important than ever.

Entrepreneurial skills and competencies are increasingly regarded as critical determinants for a dynamic economy, employability and occupational mobility. And more broadly, they support personal development, participation in economic and social life, and active citizenship.

Education for entrepreneurship can yield benefits for employment if it is included at an early stage in initial vocational education and training, when students are close to entering working life and may consider starting a business or becoming self-employed a valuable option.

National curricula for vocational education in a majority of Member States already include entrepreneurship, albeit with large variations in degree and effectiveness.

There are various examples of good practice we can build on — such as the entrepreneurs' skills certificate in Austria, enterprise and entrepreneurial initiative modules in Spain and the scheme to help students become "team-entrepreneurs" in cooperative structures, offered by the Tampere University in Finland.

[Investing in life-long learning]

The third point concerns the longer-term perspective of learning over lifetime.

This week is the Lifelong Learning Week in Brussels, Solidar and some MEPs arranged an interesting seminar yesterday, there is a public hearing on transnational learning mobility today and you can see an exhibition on the ground floor of the European Parliament. NGOs, activists, volunteers came to Brussels to raise awareness on Lifelong learning in Europe and to put forward the need to adopt a holistic vision at all level of decision-making. Of course it is a very important challenge for the Commission as well.

A longstanding problem we face in the EU is the fact that lifelong learning is usually taken up by — and in some cases offered only to — the medium to highly skilled, and not to those who need it most.

There is unanimous agreement that achieving smart, sustainable and inclusive growth in line with Europe 2020 calls for cooperation or partnership to ensure that effective investments are made in lifelong learning.

The EU Education Ministers agreed that at least 15% of adults should participate in some form of education and training by 2020.

We therefore need to give fresh impetus to lifelong learning, in particular in continuing vocational education and training and adult learning, where there are still major differences based on historical and economic experience.

The figures speak for themselves: take-up of life-long learning is 2% in some Member States and over 50% in others.

If we want to benefit more in terms of employment from vocational education and training, we must look at those who are not participating and try to understand why.

We should ask ourselves: Why are the incentives for individuals to participate not working? Why are incentives for companies to train workers so few? Why is support and guidance to encourage workers to engage in training insufficient? And how can we reach the hard-to-reach groups more effectively?

Resources are tight in today's harsh fiscal climate. This means we have to find ways of targeting investments and reforms in education and training, and make them more effective — so they help people to secure their place on the labour market. But we cannot achieve that without all-round support.

We need shared responsibility and partnership, effective financing mechanisms and incentives, flexible pathways, and access to quality, targeted continuing training. Those are key principles on which comprehensive lifelong learning strategies should be based.

In line with those principles we need to focus closely on systematic approaches to increasing participation by adults — and in particular the low-skilled, the elderly and the unemployed — in continuing education and training.

At EU level, in conjunction with the Member States we are working on a lifelong learning package based on the principles I highlighted. It will include a Council recommendation on the promotion and validation of non-formal and informal learning.

Along with the Agenda for New Skills and Jobs, which will facilitate the development of labour market intelligence and skills governance, this should lay the foundations for a bridge to the future.

Thank you.