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to: Permanent Representatives Committee (Part 1) / Council

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Subject: Education and Skills for Jobs, Stability and Growth: Europe 2020 and the Annual Growth Survey
- *Policy debate*
(Public debate pursuant to Article 8(2) CRP [proposed by the Presidency])

Following consultation of the Education Committee, the Presidency has drawn up the attached discussion paper as the basis for the policy debate on the above subject at the EYCS Council meeting on 15 February 2013.

**Education and Skills for Jobs, Stability and Growth:
Europe 2020 and the Annual Growth Survey**

Presidency discussion paper

A warning signal for Europe's Education Ministers

The EU is currently experiencing historically high rates of unemployment. Over 26 million of our fellow citizens are out of work, including nearly 5.8 million young people.

Europe needs to take immediate action to restore stability and invest in growth. This message is at the heart of the 2013 Annual Growth Survey¹, which highlights the vital role of human capital investment in fostering a job-rich recovery.

But the Annual Growth Survey also contains a stark warning for Education Ministers: skills gaps, deficiencies and mismatches are holding Europe back from achieving its full potential in job creation.

To meet the employment target of 75% set out in the Europe 2020 strategy, 17.6 million jobs need to be created. But skills gaps are being reported in the key sectors where job growth is predicted: the green economy, ICT and healthcare.

The Annual Growth Survey also warns that insufficient progress is being made in adapting education and training systems to reflect labour market needs.

¹ The Annual Growth Survey for 2013 launches the 2013 European semester for economic policy coordination. This is the process which ensures Member States align their budgetary and economic policies with the Stability and Growth Pact and the Europe 2020 strategy. It is the basis for building a common understanding about the priorities for action at the national and EU level as the EU seeks to return to a path of sustainable growth and job creation.

A multi-dimensional challenge

Our education and training systems play a profound role in enabling citizens to achieve their full potential, thereby contributing to the social, cultural and economic life of Europe.

Within this context, practically every facet of our systems has an impact on the development of skills and, ultimately, on labour market outcomes: investment in early childhood education and care, teacher quality, curriculum, retention in schools, higher education participation, industry-academic partnerships, to name just a few.

EU-level responses

In addition to Member State responses, actions are also being taken at EU level.

The European Commission communication *Rethinking Education: Investment in Skills for Better Socio-Economic Outcomes* places the emphasis on “delivering the right skills for employment, increasing the efficiency and inclusiveness of our education and training institutions and on working collaboratively with all relevant stakeholders.”

The Annual Growth Survey makes a number of very specific recommendations:

- prioritise and strengthen investments in education where possible;
- reduce early school leaving;
- facilitate the transition from school to work (quality traineeships, apprenticeships and dual learning models);
- develop entrepreneurial and employability skills;
- improve the connection between education and labour market needs.

Country-specific recommendations on a range of skills issues have also been made in respect of a number of Member States.

The Lifelong Learning Programme has allowed people to increase their skills by training and studying abroad. The EU Skills Panorama raises awareness of skills gaps and the EU Skills Passport facilitates skills recognition.

The Commission has also been active in promoting responses to the particular crisis in youth unemployment, including through the Youth Opportunities Initiative and most recently the Youth Employment Package, which includes proposals on a Youth Guarantee, a Quality Framework for Traineeships and a European Alliance for Apprenticeships.

The Commission is also proposing that national investment priorities for the next round of ESF funding (2014-2020) should be better aligned with the most important policy challenges identified under the Europe 2020 and "ET 2020" policy frameworks, in particular policy challenges identified in the country-specific recommendations.

Ministerial debate: immediate and practical responses

Undertaking reforms which will enhance the capability of our education and training systems to promote high quality and equitable outcomes for our citizens is a long-term process. These reforms are vital.

But at a time of crisis, we also need to take immediate actions to help our citizens find employment. Ensuring that our citizens have the right skills, both to create jobs and participate in employment, must be a major part of our response.

With that in mind, the central question for the Ministerial debate will be:

What immediate and practical actions are Member States' education and training systems taking to ensure that citizens have the right skills for employment?

In order to ensure an interactive, free-flowing debate, the Presidency will be inviting two external speakers with unique insights to give their perspective on this issue:

- **Lord (David) Puttnam**, the film producer, education and ICT advocate and Chancellor of the UK's Open University;
- **Mr Andreas Schleicher**, Deputy Director for Education at the OECD and Special Advisor on Education Policy to the OECD's Secretary General.

In their interventions, Ministers should be guided both by the question set out above, and by the presentations of the external speakers. Ministers will be encouraged to intervene freely in response to the speakers, without scripted interventions, by asking questions or commenting. The Presidency will also invite the external speakers to respond to the debate as it unfolds, and reflect on points made by Ministers.

Ministers will also be asked briefly to highlight one practical initiative in their Member State, including any actions that they may be taking in response to relevant country-specific Recommendations, or in the case of countries covered by financial assistance programmes, any measures that they are taking under that programme, that could be of relevance to other Ministers.

In order to give all Ministers an opportunity to contribute, interventions will be restricted to three minutes maximum.

The Presidency's aim is that each Minister leaves the discussion with one or two practical ideas which they could take back to their capitals for discussion.

Lunchtime discussion with social partners

The discussion will continue over lunch.

The Annual Growth Survey highlights the role that social partners can play alongside public authorities in contributing to a job-rich recovery; the partners will therefore be invited to participate in the lunch-time discussion.

We have asked each social partner representative to adhere to the same ground rules as during the formal debate. Their interventions will be limited to three minutes, and they should make one major, practical point to the Ministers present. There will be an opportunity for an informal discussion following these interventions.

Follow-up to the Council discussions

Under the European Semester process, the Annual Growth Survey is intended to provide the basis for discussions at the Spring European Council. It is the intention of the Irish Presidency to prepare a synthesis report, covering all Council formations, which will be forwarded to the European Council through the General Affairs Council.

This report will take account of Ministerial discussions at the Education Council as well as the adoption of Council conclusions in response to the Commission's communication *Rethinking Education: Investment in Skills for Better Socio-Economic Outcomes* and the 2013 Annual Growth Survey.