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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF REGIONS**

'Education and Training for a smart, sustainable and inclusive Europe'

**Analysis of the implementation of the strategic framework for European cooperation in
education and training (ET2020) - Country analysis**

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INTRODUCTION

The Commission Communication on the draft 2012 Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020)¹ is accompanied by two Staff Working Documents (SWDs).

While the other SWD examines the progress made in the implementation of ET2020 from a thematic, cross-country perspective, the present SWD examines the progress made at national level towards the ET 2020 objectives on a country-by-country basis.

Country analysis

The present SWD is a collection of individual country briefs summarising the main developments in education and training in the individual countries in the period 2009–2011 in relation to the ET2020 and Europe 2020 priorities and the outcome of the first European Semester, including the country-specific recommendations (CSRs) issued by the Council in June 2011.

The country summaries are primarily based on the national progress reports provided by the competent authorities in the first half of 2011, in response to a common questionnaire. They also take into account information contained in the Member States' National Reform Programmes (NRPs) submitted for the first European Semester and other official information sources, such as Cedefop and Eurydice.

Structure and content of the country summaries

Each country summary starts out with a review of the country's performance in relation to the *ET2020 benchmarks*, including the Europe 2020 headline targets for early school leaving and tertiary attainment.

Section 2 is devoted to the *outcome of the European Semester 2011*. It includes excerpts from the Commission Staff Working Documents accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States in relation to education and training issues.²

For those Member States for which the Council has issued *Country-Specific Recommendations (CSRs)* relating to education and training following the European Semester, this section also quotes the text of the specific Recommendation.

For countries receiving financial assistance under a *Memorandum of Understanding (MoU)* on Specific Economic Policy Conditionality, section 2 includes, where appropriate, excerpts from the MoU referring to education and training.

Section 3 analyses in detail national developments in relation to the *Europe 2020 headline target* addressing early school leaving and tertiary (or equivalent) attainment.

Section 4 reports on developments with regard to *mobility*, in particular in relation to the Europe 2020 'Youth on the Move' flagship initiative and to European and other mobility programmes. The analysis is based on data from Eurostat (UOE) on long-term mobility in higher education and on data from the Lifelong Learning Programme on short-term mobility.

¹ Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training (ET 2020), OJ C 119, 28.5.2009, p. 2–10.

² http://ec.europa.eu/europe2020/reaching-the-goals/monitoring-progress/recommendations-2011/index_en.htm

Section 5 describes developments in other Europe 2020 priority areas, in particular lifelong learning strategies and the flagship initiative Agenda for New Skills and Jobs.


Section 6 looks at the impact of the economic and financial crisis on the country's education and training budget.

Finally, short conclusions are presented in section 7.

AUSTRIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| AUSTRIA  | | Austria | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 84.6% | 91.3% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 19.3% | 21.5% ⁰⁶ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 20.0% ⁰⁶ | 23.2% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 16.3% ⁰⁶ | 21.0% ⁰⁹ | 20.2% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 10.2% | 8.7% ^b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 21.0 ⁰⁴ | 23.5% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 8.6% ⁰³ | 13.7% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁴= 2004, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

The share of people with a migration background in the labour force in Austria is high by EU standards. The problems faced by migrants on the labour market are twofold: firstly, pupils with a migration background have lower education outcomes than their peers; secondly, migrants are three times more likely to be employed below their qualification levels than Austrians. The main challenge is low education outcomes: migrants are 3.5 times more likely to be early school leavers than natives (22.1% compared to 6%). One of the reasons is the strong influence of socio-economic background on educational achievement in Austria, which can partly be explained by ‘early tracking’ into two different schooling streams at the age of 10. In urban regions in particular, this tends to cause ‘downward’ selection of pupils with a disadvantageous socio-economic background and reduces de facto permeability between upper secondary education and training streams. This, combined with widespread half-day schooling, seems to have a negative effect on the educational attainment of vulnerable youth.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (4)

Take measures to enhance participation in the labour market, including the following: reduce, in a budgetary neutral way, the effective tax and social security burden on labour, especially for low- and medium-income earners; implement the National Action Plan on the equal treatment of women and men in the labour market, including improvements in the availability of care services and of all-day school places to increase the options for women to work full-time and in the high gender pay gap; **take steps to improve educational outcomes and prevent school drop-out.**

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

In the past, early school leaving (ESL) has fluctuated around 10%, but decreased to 8.7% in 2009 and 2010, well below the EU average (2008: 10.1%). Austria has set itself the target of an ESL rate of not more than 9.5% by 2020.

As noted in the Commission Staff Working Document on the implementation of the integrated guidelines, socio-economic background has a strong influence on achievement in the Austrian education system, and pupils from a disadvantageous background face a much higher risk of drop-out than their peers. A particular challenge is to unlock the potential of Austria’s young population with a migrant background (around 17% of all pupils have a mother tongue other than German, with much higher rates in urban regions), since achievement gaps compared to native peers are among the highest in the EU.

Educational deficits tend to add up from early childhood: while overall *participation in early childhood education* has increased in Austria (from 84.6% in 2000 to 91.3% in 2009), immigrant children have a lower rate of participation here too.

The Austrian National Reform Programme and the ET 2020 national report acknowledge the negative consequences of early drop-out in education, namely fewer job opportunities, a

higher risk of unemployment and social exclusion. Consequently, educational reform focuses on increasing equal opportunities and qualification levels, in particular for migrants.

In cooperation with the Bundesländer and municipalities, the federal government has launched several initiatives to tackle educational disadvantages from an early age. A compulsory free-of-charge year of kindergarten at age 5 was introduced in 2010, together with a nation-wide education plan to improve the quality of provision. Further measures include early language skills assessment and individualised support in kindergarten to develop a sufficient level in the language of instruction before entry into primary school.

Other recent measures to tackle early school leaving include more individualised teaching (in particular within the reform project 'Neue Mittelschule', which will gradually replace the 'Hauptschule' by 2019), smaller class sizes (down from 30 to 25), more places for all-day schooling and after school care, a 'training guarantee' (*Ausbildungsgarantie*) up to age 18, and ESF-funded programmes to keep pupils with significant (language) deficits in the mainstream educational system.

These measures point in the right direction. It is moreover positive that quality early childhood and basic education, steps to tackle inequalities and provision of second-chance upper secondary education free of charge have also become key objectives of the recently adopted LLL strategy (see section 5). This should help to further improve cooperation and coordination among stakeholders and services responsible for labour market, youth and social affairs.

3.2. Tertiary attainment

Tertiary attainment is 23.5%, low in comparison to the EU average of 33.6% (ISCED levels 5 and 6). It has to be noted, however, that Austria has traditionally obtained a large part of its higher-skilled labour force from VET colleges that grant ISCED 4a level qualifications. This is also why the government included this qualification level (ISCED 4: 13.4% in 2009) in its national target (38%). Nevertheless, the government is aware that more tertiary qualifications are necessary, and reaching the target by 2020 would represent an improvement on the current situation. In particular, despite good progress towards the 2010 benchmark for tertiary MST graduates, the shortages in these subjects are considered an obstacle to future growth in a number of economic sectors.

High drop-out rates from university (around 40%) remain a challenge, even though study fees have been widely abolished for almost all students and financial grants were increased in 2008 and 2009. In 2010, EUR 194 million were disbursed to some 46 000 students as non-refundable study grants (18% of all students). Additional financial support measures are available.

Regarding measures to increase the number of tertiary graduates, the 2011 Austrian National Reform Programme and the progress report on ET 2020 highlight counselling for tertiary studies and increasing the number of graduates in natural sciences and technology as among the main challenges. Information and orientation is gradually being widened and improved to include compulsory advice for prospective students (*'Studienwahlberatung NEU'*).

The growing number of applicants for Universities for Applied Sciences (*Fachhochschulen*), focusing on disciplines such as engineering, business management and ICT, is being addressed by the provision of more study places. Other measures aim to improve access to university studies for people in the labour market (*berufsbegleitendes Studieren*). Additional

funds (€34 million) have been set aside to improve the student/teacher ratio in the period 2010–12.

While such measures may have some potential to reduce drop-out rates and to achieve a better distribution of students across the full range of subjects (access to universities is mostly free), they are no substitute for a comprehensive strategy to deal with the steadily growing numbers of students, due also to high incoming mobility ('mass university'), and persisting structural challenges to the Austrian university system.

A recently published report, developed by independent experts in August 2011, proposes for the "mapping process for the Austrian higher education system" a number of measures to improve the governance of universities, including their long-term financing.

4. MOBILITY

As regards tertiary education, Austria has an outbound long-term mobility (4.3% of students per year) above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.4% of students in 2008/09) is also above the EU average.

Learning mobility for pupils, trainees, students and learners as well as education staff is mainly supported by the EU's Lifelong Learning Programme. In addition, the national Performance agreements (*Leistungsvereinbarungen*) between universities and the ministry for science contain supporting measures for international mobility. Austria is also particularly attractive for incoming PhD students: their share is the highest in Europe, in 2010 amounting to 22% of all PhD students.

Mobility in VET is supported by the organisation of pool projects (for individual applications) and supplementary national funding.

School teachers participate via the AUPRAX initiative in exchanges with their European colleagues. Despite the important role of VET in Austria, the participation of VET professionals in Leonardo da Vinci is below the EU average.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

In July 2011 the four ministries responsible for education and training, science and research, economy, family and youth, and labour and social affairs, supported by the social partners and all key stakeholders, agreed on a joint strategy '*Lifelong Learning 2020*', based on a set of guiding principles, benchmarks for 2020, and 10 action lines, including concrete operational measures for LLL implementation (see Staff Working Document, section 4.1). In addition, a lifelong guidance strategy is already being implemented, for example through the promotion of basic competences for education, VET and career plans ('Career Management Skills').

A 'Standing Committee on New Skills', led by the public employment service (*Arbeitsmarktservice*), is addressing the preparation of employees and job-seekers for the upcoming changes and challenges in the labour market.

Other measures include quality development by introducing educational standards and standardised tests in the field of education, setting standards in VET, 'Literacy' (a project for improving reading competences), competence-oriented teaching, and a quality initiative for VET (*QIBB*). Work on the National Qualification Framework and the Bologna Process is ongoing.

The adoption of ‘Lifelong Learning 2020’ demonstrates that progress is being made to further strengthen the links between education, training, employment and social affairs and ensure a more flexible qualification system. The broad agreement among stakeholders on shared objectives can be considered an important success factor for the future improvement of lifelong learning structures and services.

6. INVESTMENT IN EDUCATION

| | Austria | | EU average | |
|---------------------------------------|---------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 5.74% | 5.46% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Investment in education, as a percentage of GDP, has decreased since 2000, but is still above the EU average.

In comparison to other budget headings, public spending on education and training was not negatively affected by the financial crisis. School education saw no significant cuts in the crisis years, the 2011 budget increasing to almost €8 billion, 3.9% more than in 2010. Savings due to declining number of pupils are being offset by higher expenditure on the recent reforms (smaller classes, new middle school, quality assurance, all-day schools, etc.). In addition, €80 million per year will be made available up to 2014 to provide additional study places and improve the quality and performance of tertiary education.

Fully in line with the Annual Growth Survey and the Conclusions of the Spring European Council, Austria is maintaining its investment in education and training as a growth-friendly measure in times of crisis.

7. CONCLUSIONS

In the context of its educational reform, aiming to increase equal opportunities and qualification levels, in particular for migrants, Austria is taking steps to improve educational outcomes and to prevent school drop-out. These include more individualised teaching, increased provision of all-day schooling, measures to improve early childhood education (including compulsory kindergarten at the age of five), and the reform project ‘Neue Mittelschule’, aiming at mitigating the consequences of early separation of pupils into ‘academic’ and ‘general’ streams at the age of 10, while the two parallel tracks ("Neue Mittelschule" and "Gymnasium") will continue to exist.


Measures are also being taken to increase the capacity and quality of tertiary education, in particular by providing information and counselling, increasing the number of students in the Universities for Applied Sciences and improving access to higher education institutions for people on the labour market.

Implementing the comprehensive Lifelong Learning 2020 strategy adopted in July 2011 will help to achieve the targets. However, sustained efforts will be needed, in particular to reach the target for tertiary or equivalent education and to effectively address equity issues.

BELGIUM

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| BELGIUM  | | Belgium | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 99.1% | 99.3% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 19.0% | 17.7% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 17.3% ⁰⁶ | 19.1% ⁰⁹ | 24.20 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 17.0% ⁰⁶ | 18.0% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 13.8% | 11.9% ^b | 17.6% | 14.1% | 10% | 10% |
| Higher education attainment (age 30–34) | | 34.5% | 44.4% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 8.6% ⁰⁴ | 7.2% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹= 2001, ⁰⁴= 2004, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Regarding education and training policy, Belgium's ambition is to raise the percentage of people aged 30–34 with a higher education from 43.2% in 2009 (42% according to Eurostat) to 47% in 2020, and to reduce the percentage of early school leavers (ESL) from 11.7% in 2009 (11.1% according to Eurostat) to 9.5% by 2020. Educational policy is the responsibility of the communities. The Flemish community and region has already reached a number of the Europe 2020 policy targets and has set additional ambitious targets. As the NEET27 indicator and the ESL indicators have been generally decreasing over the last ten years, with Belgium performing better than the EU average thanks to longstanding efforts at policy level, the Belgian national targets for education and ESL seem to be realistic. However, this is possibly being driven by the Flemish community (8.6% in 2009), so the main challenge is to ensure a significant decreases in the high ESL rate and proportion of 20–24 year-olds without at least secondary education in the other regions/communities (in 2009, 13.8% and 20.5% in Wallonia and 15.6% and 25.2% in the Brussels Capital Region, respectively). Therefore, even though Belgium has a modern education system and is performing better overall than the EU average in the area of education, this masks significant regional differences, and several problems remain to be tackled, in particular the low qualifications of young people (mainly in Wallonia and the Brussels Capital Region), non-EU citizens and women (in particular in the Brussels Capital Region), and skills mismatches and shortages in future-oriented occupations. Belgium is also one of the few countries where participation rates in lifelong learning have declined significantly in recent years. To increase lifelong learning and improve the qualifications of jobseekers, the social partners have agreed to spend 1.9% of the total payroll on the education and training of employees. As this target has currently not been reached, a penalty mechanism for sectors that fail to make additional training efforts was to enter into force in 2011.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Belgium performs better than the EU average in the area of early school leaving, and aims to further reduce the rate from 11.9% (Eurostat) in 2010 (11.7% according to the 2011 NRP) to 9.5% by 2020. Due to longstanding efforts at policy level, rates have constantly declined over the last decade, although significant disparities remain between community/regions. Both communities are investing in improving the quality and attractiveness of VET, in flexible pathways and in closer education–enterprise cooperation.

Flanders has already achieved the national target and intends to decrease the ESL rate further from 8.6% in 2009 (9.6% in 2010) to 5.2% by 2020. **The Flemish** ESL objective is part of a broader objective to reduce by 2020 the number of secondary education drop-outs without sufficient starting qualifications (upper secondary education or equivalent) by 50% and the 7.3% NEET rate among young people.

The evidence-based policy pursued by the **Flemish community/Flanders** region involves a comprehensive approach and a wide range of active prevention, intervention and compensation measures as well as possible sanctions (e.g. school allowances linked to regular school attendance). It is supported by strong analysis of data and information to enable

measures to target particular groups and take the personal situation of pupils into account (e.g. positive discrimination). Implementation is monitored and evaluated within a comprehensive strategy. Measures include the active encouragement of nursery education participation, early mastery of the instruction language, a truancy action plan (2006 plan under evaluation, to be renewed in 2011) with the involvement of various actors and the parents, and various second-chance offers. Other measures to ensure the full-time involvement of apprentices in education until the age of 18 (since 2008–9), the ongoing modularisation of IVET (up to 2015) and better pupil guidance (decree planned by 2014) are also relevant. In addition, a broader reform to make technical and professional education more attractive is under discussion.

The **French community** continues to focus on measures to address the problem of low performance levels in compulsory education and training by improving the quality of the education and training system, mainly through financial and other measures to reinforce the acquisition of basic competences (primary and first cycle of secondary as from 2006). In addition, an important reform was introduced in 2009 to make **VET** more flexible, modular and closer to labour market needs. As part of this approach measures have been taken since 2006 to address ESL (*‘Positive discrimination’*, measures to tackle relegation mechanisms, specific measures such as ‘SAS’ or *transition centres*, school mediators). Since 2009, further measures have been taken (e.g. desegregation measures, improved monitoring of youngsters in ‘alternate training’, and a 2009 action plan to combat violence at school). The measures planned mainly include the creation of an observatory of violence at school and soft measures such as better information and training of professionals, pupils and victims. The **Brussels region** continues to actively implement measures to combat absenteeism.

The time horizon of the French community/Wallonia/Brussels regions policy and measures is 2014. There is a lack of comprehensive analysis of ESL phenomenon and of systematic monitoring and evaluation of the implementation of the ESL measures including prevention, intervention and compensation measures. General indicators exist for the performance of the education and training system, but do not include specific indicators on drop-out/ESL.

The Belgian 2011 NRP acknowledges that reforms are needed in some areas, in particular vocational education and training, in order to improve quality and meet the demands of the labour market (mainly for young people in Wallonia and Brussels and for migrants and women in Brussels) and to tackle skills mismatches for future-oriented jobs.

3.2. Tertiary attainment

In 2010, Belgium exceeded the 40% EU target for tertiary education graduates, with 44.4% according to Eurostat (43.2% according to the 2011 NRP). The national target is 47% by 2020. Flanders has set itself a specific objective to increase the rate from 45.0% (2010) to 47.8% by 2020.

In both communities, access to higher education is open (with few exceptions), with low tuition fees. Communities have improved their financial support for students/learners, with particular attention to students from low socio-economic backgrounds. One of the consequences is that relatively high numbers of students enter the higher education system. In 2008, the **Flemish community** put in place individual, institutional and structural measures through a new community funding model. This aims to widen participation, in particular by attracting ‘non-traditional learners’, provide appropriate guidance and counselling and improve the completion rate (e.g. through an institution-funded premium for students from disadvantaged groups and working adult learners, equal treatment of full-time and part-time students, and flexible study pathways). The funding model also provides for targeted

allocations to reward the achievement of agreed objectives for participation and completion rates. The aim is to achieve a ‘higher education participation rate of 60% for children from parents without a higher education degree’ (‘Pact 2020’) by devoting attention to students from more vulnerable backgrounds.

The funding model also shifts responsibility to students for their study progress, as they can be penalised if their performance remains below expected standards (e.g. higher education institutions might charge higher tuition fees or refuse registration).

The study allowance system will be expanded to encompass HB (hoger beroepsonderwijs — higher vocational education) level 5 and second-chance education.

The introduction of short-cycle higher vocational education programmes should also help new groups of students to progress to a bachelor’s programme.

These measures are monitored yearly. A first evaluation of the results of the performance agreements was launched in 2008.

In the **French community**, in order to **widen** participation, measures focus on **additional financial support** to attract students from lower socio-economic backgrounds. As from 2010 – 2011, students holding a grant are exempted from paying tuition fees and there is also other measures to reduce the cost of course material. Students of modest conditions not eligible to receive a grant will pay reduced fees of up to 50 %.

Various measures are designed to improve the **completion** rate, including student support for the transition from school to higher education institutions (HEI). As regard the obligation for students to *demonstrate sufficient mastery of the instruction language* as a prerequisite for enrolment, previous disposals have been updated namely with references to language levels of the Common European Framework of Reference to be attained (2010). The obligation of universities (2004) to devote a minimum percentage of their budget to support ‘first generation’ students was extended to the other HEIs in 2008. At university level, limited flexibility has been introduced to extend the length of the study period needed to obtain a degree.

4. MOBILITY

As regards tertiary education, Belgium has an outbound long-term mobility (2.9% of students per year in 2008/9) near the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.3% of students in 2006/7 and 1.48% 2008/9) is above the EU average.

Both communities consider mobility to be a priority. They provide additional funding to support the European education programmes, in particular Erasmus, Comenius and Grundtvig. Particular attention is paid to supporting pupils/students from lower socio-economic backgrounds.

The **Flemish community** uses various financial and other measures and programmes to increase the mobility of pupils/students and teachers at all levels of education (except secondary) with a particular focus on mobility in higher education.

At **school level**, mobility schemes target not only neighbouring and other European countries but also Morocco, the country of origin for many pupils with a migrant background, in order to increase intercultural competence and tolerance.

In **higher education**, the aim is to reach a mobility target of **20%** graduate students by 2020. For the period 2012–2025, a gradual budgetary increase of €4.2 million by 2020 is planned.

The **action plan to promote the mobility** of HE students from all cycles (BA, MA, PhD), teachers, researchers and staff is being drawn up, with the focus on increasing the participation of currently underrepresented **outgoing** groups (e.g. SNE). Various new outgoing mobility programmes for students are being set up. Better access, improved guidance and financial support for **incoming** students are also planned. According to a 2010 survey, there are **no longer any real obstacles to student learning mobility**. Consequently, incentives will be offered to motivate students. As regards teachers, the new mobility action plan, with due regard to the autonomy of individual institutions, provides for **recognition of mobility as a fundamental element in the teaching career path**.

In the **French community** there are initiatives at school level (e.g. language immersion mobility grants for pupils ending secondary education — Walloon region), but the main focus is on student mobility at HE level.

An HE mobility council, set up in 2007, provides advice on mobility policy and is responsible for ensuring consistent management of the budget to support the different **outgoing** mobility schemes (national, European, others). This mobility budget has been progressively increased. **Incoming** students may receive different forms of in-kind support. An organisation (Wallonie-Bruxelles Campus) was set up in 2010 to promote French HEIs abroad. At policy level, joint/multiple degrees are encouraged and there is ongoing reflection on the inclusion of mandatory mobility windows in curricula. The HE mobility council is planning a qualitative and quantitative survey of mobility barriers (2012) to complement a 2007 survey on the mobility of students receiving study grants, which mainly addressed the financial barriers.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, VET, OTHER MEASURES

Belgium is one of the countries where participation rates in lifelong learning have declined significantly in recent years. The rate started to drop in 2004, falling to 6.8% in 2009. The 2011 NRP acknowledges that the situation should be improved. A set of measures have been taken at federal and community/regional levels.

Flanders has been pursuing an explicit, coherent and comprehensive lifelong learning strategy, as set out in three main policy documents (Competence Agenda 2010 and the 2009–14 policy notes on education and on employment). Responsibility for its implementation is shared with stakeholders (e.g. sectors). Key principles of the strategy are: creation of conditions for improved employability, activity and qualifications for all; an active integrated skills development approach for different target groups among both employed and unemployed; enhanced structural collaboration between education and the labour market in combination with the promotion of lifelong careers orientation; providing individual targeted incentives for training; recognition of acquired competences; and flexible pathways. The target is 15% adult participation in LLL by 2020 (Pact 2020).

The Flemish qualification framework was adopted in 2009. The corresponding link with the 8 EQF levels was established in April 2011. By using a learning outcome approach, the NQF supports the recognition of formal, non-formal and informal learning. The new single central Flemish agency for quality in education and training (AKOV), set up in 2009 for coordinating quality assurance for all education, training and RPL systems, is now operational. It has been tasked, among other things, with the development and introduction of the Flemish qualification structure.

Since June 2008, a number of projects have been launched to establish a comprehensive system for anticipation of needed skills, to identify ‘horizontal mismatches’ and to assess the key competences to be acquired in short-cycle higher vocational education.

In addition to measures to improve the quality and efficiency of VET, a thorough reform of secondary education is envisaged to ensure that vocational and technical courses of study are updated. A draft decree on the reform of secondary education is scheduled for 2014.

The **French community/Walloon and Brussels regions** continue to pursue a lifelong learning approach including the cooperation and involvement of education and training providers and the world of work, flexible pathways and more targeted adult education. The main focus is on the development of closer synergies between education and training providers to promote a more efficient, integrated, transparent and targeted quality offer for education and training across the lifecycle, with particular attention to VET, alternate training and adult education (EPS). There is a strong emphasis on closer cooperation by education and training providers with the world of work. This cooperation is guiding many initiatives, such as the setting up of the Professions and Qualifications Service (SFMQ) in 2009, education zones, the development of catchment areas and synergy centres, prior learning recognition, and lifelong careers orientation.

The ongoing reform of **VET** aims to make it more attractive, flexible and relevant to labour market needs. It includes modularisation ('qualification by units (CPU)' trial as a way to implement the ECVET system), further fostering of the development of dual education, the promotion of vocational guidance, more on-the-job training, and continuation of measures to improve access to appropriate equipment and technology.

Adult education measures include more flexible pathways for VET pupils to adult education, possibility for recognition of formal, non-formal and informal learning, and aligning adult HE with the Bologna process (2008).

Little progress has been made on the Belgian-French qualification framework. A final version is expected by 2012. The approach will be similar to the Flemish qualification framework.

As regard skills forecasts, the recently created sectoral skill council (SFMQ) has been tasked with the development of job profiles and corresponding 'qualification' profiles which might help in forecasting skills. Surveys to assess skills needs and mismatches are carried out on a regular basis (annual survey of jobs with skills shortages in Brussels).

6. INVESTMENT IN EDUCATION

| | Belgium | | EU average | |
|---|--------------------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 6.0% ⁰¹ | 6.46% | 4.88% | 5.07% |

Source: Eurostat (UOE)

⁰¹= 2001

Public investment in education as a percentage of GDP has not changed in Belgium since 2000, whereas it has slightly increased in the EU as a whole. In Belgium, however, it still exceeds the EU average by about 1 percentage point.

Both communities report that the economic crises have had no significant negative impact on the education and training budget: savings have been made by dropping non-priority measures and postponing a planned budget increase.

In budgetary terms, tertiary education is the only sector that has seen continuous growth in real terms. However, the increase has not matched the mass expansion of higher education,

leading to a decrease in per capita spending on higher education. In both communities, due to the crisis, the planned HE budget increase has been postponed or spread over a longer period.

Regarding **private** expenditure on education and training, a decreasing trend has been observed for many years. The private sector is not abiding by its commitment to spend 1.9% of the total payroll on the training of employees. A penalty mechanism for sectors that fail to make additional training efforts entered into force in 2011.

Structural savings decided in close consultation with the education partners amounted to 1.4% of the **Flemish education budget** in 2010, including non-renewal of innovative projects, dropping of mentoring for students opting for work experience, cancellation of various support schemes for teachers, non-indexation of operational resources for mandatory education, and reduced lump-sum payments for higher education institutions.

As regards the **French community**, the economic crisis is reported to have had no significant negative impact on public investment in education. Nevertheless, certain measures in compulsory education have been cut, and the planned HE budget increase approved in 2008 to cover a period of 8 years is now spread over 15 years (total of €30m). According to Eurydice, savings in compulsory education have been made mainly by cancelling non-priority measures and reducing the planned increase in operational grants for schools. Positive discrimination measures have been maintained.

There has been no decrease in the total budget for VET and continuous training, although amounts have been reallocated to target particular groups. The 2011 NRP acknowledges future budgetary needs to address the increase in the number of pupils expected in the coming years, in particular in Brussels.

The European structural funds (Wallonia-Brussels) are being used to support training both to reintegrate non-working people within the labour market and to increase training provision. As a consequence of the crisis, there has been a limited reallocation of ESF funding for EU2020 targets.


7. CONCLUSIONS

Generally Belgium's education system performs better than the EU average, albeit with important differences between the communities. However several problems remain to be tackled and further efforts are necessary in particular in order to address skill mismatches, to tackle labour market barriers for different age and social groups (mainly senior workers in Flanders, young low qualified workers in Brussels and Wallonia, non-EU citizens and women in Brussels) and to increase labour mobility, in particular between regions. There is a particular challenge for vocational education and training and lifelong learning participation.

BULGARIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| BULGARIA  | | Bulgaria | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 73.4% | 78.5% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 40.3% | 41.0% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 53.3% ⁰⁶ | 47.2% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 42.6% ⁰⁶ | 38.8% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 20.5% ⁰¹ | 13.9% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 19.8% | 27.7% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 1.3% ⁰³ | 1.2% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

The upcoming Law on Pre-School and School Education is expected to provide some solutions, building on the positive results of the recent school decentralisation reform. This law is also intended to expand pre-school education, which is the foundation for further learning, and to improve learning outcomes and educational achievement at primary and secondary level. Tertiary attainment rates (27.9% in 2009) remain below the EU average (32.3%), despite a positive trend in the last decade. Bulgaria has significantly delayed its reform of higher education. The new Higher Education Law, already tabled in 2010 but subsequently withdrawn, would provide an efficient, single legislative instrument to address reform needs. These include: improving quality; increasing the mobility of higher education students, anticipating skills needs and modernising curricula; enhancing competition between higher education institutions; and improving the governance of universities. Slow progress in the legislative area is hampering an increase in tertiary achievement rates, improvement of the quality of higher education institutions, and therefore smart economic growth.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (5)

Take steps to address the challenge of combating poverty and promoting social inclusion, especially for vulnerable groups facing multiple barriers. Take measures for modernising public employment services to enhance their capacity to match skills profiles with labour market demand; and focusing support on young people with low skills. Advance the educational reform by adopting a Law on Pre-School and School Education and a new Higher Education Act by mid-2012.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

The current early school leaving rate of 13.9% in Bulgaria is close to the EU average. This shows a positive trend despite the recent (2007) reform which involved the closure of around 500 schools between 2007 and 2009, leading partly to regional increases in the number of early school leavers. While the proportion of students leaving the education system early has stabilised, Bulgarian pupils achieve on average very low scores in international achievement tests. According to the latest PISA assessment (2009), two out of five 15 year-olds are currently low achievers in basic skills, which is the lowest performance in the EU.

The negative demographic trend has led to school closures and consolidations, increasing the risk of drop-outs in some cases. However, progress in school autonomy reform has not only brought about efficiency gains but has also increased coverage of the shrinking age cohorts of students. This progress is visible, and acknowledged by institutions such as the World Bank.³ The Government has also announced a new School and Preschool Education Act, which is expected to lead to important reforms at system level.

³ http://siteresources.worldbank.org/BULGARIAEXTN/Resources/305438-1224088560466/Bulgaria_School_Autonomy_Reforms_FINAL_ENG_for_web.pdf.

The national report lists a number of measures to tackle early school leaving, with the main focus on prevention, such as offering after-school education to students in primary and lower secondary education, providing textbooks and teaching aids to first- to seventh-grade students, optimising the school network by providing transport to state-owned and municipal schools, and providing meals to every student in the first to fourth grades and in the preparatory groups.

As the current measures only partially respond to the need to address early school leaving, the underlying drivers for the high number of early school leavers should be clearly identified. Specifically, an update on the situation of disadvantaged groups, including Roma and children living in rural areas might be useful.

3.2. Tertiary attainment

Tertiary attainment in Bulgaria, while growing in recent years, is still below the EU average (27.7% in 2010). Given the importance of tertiary education for productivity, innovation and growth, and considering Bulgaria's target of raising the attainment rate to 36% by 2020, more attention should be devoted to higher education.

In addition, growth in the share of maths, science and technology graduates between 2000 and 2008 has been modest (21.8%), despite favourable employment prospects and high returns. Better information and further financial incentives should be provided to ensure that students undertake study programmes with a high social return. The impact of the incentives introduced, such as grants, has so far been limited; the improved grant policy announced in the National Reform Programme and in the ET2020 national report will therefore require close monitoring.

A long-awaited reform, the Higher Education Act, announced in spring 2009 and intended to address the effectiveness of tertiary education, its quality assurance and its governance and to overhaul the current systems, has been withdrawn. The plans included: reforming curricula and mobility; encouraging higher education to cooperate more with industry; introducing a rating system to enhance competition between higher education institutions; and improving the governance of universities. The rating system was said to play a significant role in budget allocation in 2011.

In its ET2020 national report, Bulgaria refers to 'a trend of transition [...] from [an] elite to mass system for high-quality higher education' which poses a number of challenges. Incentives focus on encouraging admission to higher education and increasing the number of higher education graduates. It is less evident how the quality of higher education is to be increased. There are currently only a few quality assurance measures for higher education, and the need to modernise higher education does not seem to be reflected in legislative proposals. It is important to keep to the objective of increasing the numbers of higher education graduates while at the same time raising quality standards.

4. MOBILITY

As regards tertiary education, Bulgaria has a high outbound long-term mobility (7.3% of students per year), which is nearly three times the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.5% of students in 2008/09) is below the EU average.

Bulgaria supports mobility at all levels of the education system and in various forms of informal and independent learning. The country has identified the lack of foreign language

skills as a major obstacle for mobility, and is actively addressing it by promoting foreign language skills in schools and by training foreign-language lecturers at universities. Bulgaria is working to increase mobility in three ways. Firstly, it promotes mobility for education purposes (incoming and outgoing) in various education sectors (school education, vocational education and training, higher education, adult training). Secondly, it promotes mobility for education purposes among teachers and staff in various education sectors (school education, vocational education and training, higher education, adult training). Lastly, it supports measures to identify and reduce barriers to mobility for education purposes.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

In Bulgaria, adult participation in lifelong learning (1.2% in 2010) is the lowest in Europe. This low rate is likely to create bottlenecks on the labour market. Coupled with negative demographic trends, shortcomings in the upskilling and reskilling of the adult population can hamper future economic growth.

Bulgaria has had an explicit lifelong learning strategy since 2008, focusing primarily on continuing VET and adult learning. However, no evaluation of its implementation has yet been undertaken. A renewed focus on the strategy and its execution would be necessary in order to raise the acceptance and impact of lifelong learning in Bulgaria.

The current priorities enshrined in the Lifelong Learning Action Plan 2010–2011 include developing a system for studying and forecasting the needs for a workforce with given qualifications as well as analysing schemes for financing LLL within the EU. The Action Plan devotes particular attention to training for learning, reading and writing and the acquisition of key competences by persons over 16 within the Teaching Reading and Writing to Adults project. Further measures supported by the Action Plan target disadvantaged groups, i.e. persons who have left school early, people with disabilities, and the unemployed. Changes in the regulatory framework are also envisaged.

As regards new skills for new jobs, a project was launched in 2010 to ‘develop a component for forecasting in the Bulgarian national system and for defining the needs for knowledge and skills based on certain European practices and foreign experience.’ The IT-based tool is to be developed following a call for proposals, which is still to be published.

6. INVESTMENT IN EDUCATION

| | Bulgaria | | EU average | |
|---|----------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 3.97 % | 4.61 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Investment in education as a percentage of GDP increased only slightly between 2000 and 2010 and is still below the EU average.

The budgets of the Ministry of Education, Youth and Science and of the state-owned universities were reduced by 20% in 2010 in comparison to 2009. The decrease did not affect expenditure on education activities delegated by the government (the budgets of schools and units applying the delegated budgets system) or the salaries of teachers and trainers, which remained stable. However, the decrease had a strong impact on policies and reforms in upper

secondary education. From 2009 to 2011, the funds for national programmes for the development of upper secondary education decreased from BGN 263.4 million to BGN 30 million. There are no signs of resumed activity in the fields where budget cuts were highest.

These trends do not appear to be consistent with the recommendation addressed to Bulgaria following the 2011 European Semester, which is to safeguard and give priority to investment in growth-enhancing policy areas such as education.


7. CONCLUSIONS

The planned education reforms provide an opportunity to address the manifold challenges both in pre-school and school education and in tertiary education. Building on the results of the recent school decentralisation reform, and with the aim of modernising and raising the quality of the system, the upcoming Law on Pre-school and School Education should focus on financial autonomy, quality assurance and accountability. A new higher education law should address reform needs and modernise the higher education system through improving quality by investing in the training of academic staff and encouraging closer cooperation between universities and businesses with view to addressing skills mismatches. In line with the recommendation from the European Semester to keep tight control over expenditure growth, while prioritising growth-enhancing expenditure, implementation of the reforms needs to be accompanied by adequate financing and investment.

CYPRUS

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| CYPRUS  | | Cyprus | | EU average | | EU Benchmarks | |
|---|-------------|--------------------|----------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 64.7 % | 86.4 % | 85.2 % | 91.7% ⁰⁹ | | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | - | - | 21.3 % | 20.0% ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | - | - | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15 % |
| | Science | - | - | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 18.5 % | 12.6 % b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 31.1 % | 45.1 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 7.9% ⁰³ | 7.7 % b | 8.5% ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³ = 2003, ⁰⁵ = 2005, ⁰⁶ = 2006, ⁰⁷ = 2007, e = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

The strategic objective of Cyprus is to become a regional centre providing high value-added services as well as to exploit the growth and job-creation potential of the green and care sectors. Some of the building blocks are already in place. Cyprus's performance in education, with excellent results at both secondary and university levels, and with a tertiary attainment rate of 44.7% of the population aged 30–34, makes for a highly skilled population. While the tertiary attainment level of the adult population is one of the highest in Europe (34.1% in 2009), the newly established universities have encouraged even more people to enter higher education. Early school leaving is well below the EU average and public education expenditure is high. However, vocational education and training (VET) is not an attractive option. More importantly, high youth unemployment (17.8% in 2010) in tandem with a large proportion of people with high educational attainment in total unemployment (28.9% compared to an EU average of merely 16.1% in 2008) signals a significant skills mismatch in the Cypriot economy. Also, participation in lifelong learning (7.8% in 2009) is low for a country with good educational levels, with the gap compared with the EU average even more pronounced among particular groups (low-skilled, older people and unemployed).

To address these issues, the NRP envisages the establishment of a series of new postsecondary VET institutions as of 2011–2012, together with the introduction of the new Apprenticeship System in the school year 2012–2013. According to the NRP, the reform of upper secondary and technical vocational education and the development of new curricula are expected to be completed by 2015. Overall, the country's strategic objective of shifting from low to high productivity jobs would benefit greatly from the re-orientation of the education and training system to bring about a better mix of skills, to match labour market demand. Key parameters for this re-orientation would include the reinforcement of vocationally oriented skills and the upgrading of skills, particularly among low-skilled and older workers.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (5)

Take further steps, within the reforms planned for the vocational education and training system, to match education outcomes to labour market needs better, including by setting up post-secondary vocational education and training institutes. Take measures to increase the effectiveness of the vocational training system by increasing the incentives for and improving access to vocational education and training, especially for low-skilled workers, women and older workers.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Cyprus performs better than the EU average in the area of early school leaving (12.6% in 2010). The target set for 2020 (10%) takes into account the expected increased proportion of migrant children. In fact, this represents a particular challenge for the country's education and training system. It is estimated that currently 13% of the Cypriot workforce is of non-EU origin, many coming from the Middle East. Children of the migrant workforce are at a higher

risk of dropping out of school, due to their parents' educational background but also to the challenge of learning Greek and integrating in the Cypriot education system.

Cyprus needs to improve its teacher training and the quality of teachers in disadvantaged areas, and in schools with high migrant numbers, and should also facilitate transitions for those at risk. The Pedagogical Institute of Cyprus focuses on special training of teachers appointed in these schools, on a school basis approach. In addition, the Organisation Committee of Zones of Educational Priority (ZEP), in cooperation with Universities and NGOs, organises training seminars for teachers who work with socioeconomically deprived students. Finally, the Education Psychology Services, in cooperation with University Departments, organizes seminars to secondary school teachers that are participating to the "Literacy Programme".

There have been several national measures over the last few years to help integrate migrants. These include initiatives to improve the teaching of Greek to migrant children. Another measure is the ZEP scheme, targeting cities where there are many migrants, with the aim of integrating migrant families and their children within indigenous social and educational structures.

The Centre of Educational Research and Evaluation helps to identify early those at risk, and the establishment of an Observatory for Violent Behaviour in May 2010, which collects data and liaises with the International Observatory for School Violence, has helped to reduce the number of early school leavers.

To reach the 10% target by 2020, Cyprus is preparing a number of reforms, including (i) restructuring the education system and modernising the content of education by modernising and upgrading the curriculum for all public schools (from pre-primary to upper secondary education), (ii) upgrading vocational education and training, and (iii) adopting measures to facilitate the integration of students at risk within the school system.

The new apprenticeship system, which should be fully up and running by October 2012, will also target those who have dropped out to assist them in getting back on track and enhancing their employability.

Making vocational education and training (VET) more attractive could be another way of reducing early school leaving, also among Greek Cypriots. To this end, efforts should focus on curriculum reform, internationalisation, greater mobility, and an improved transition between general education and VET pathways as well as VET and the labour market.

3.2. Tertiary attainment

Cyprus has one of the highest tertiary attainment rates in the EU, with 45.1% compared to the European average of 33.6% in 2010. The Cypriot target is to reach 46% by 2020, which is the highest target in Europe. Demand for higher education is high, with 82% of students completing upper secondary education.

In order to improve participation, the following priority areas have been defined: (i) strengthening the links between technical vocational education and training and the labour market, (ii) expanding and modernising the higher education system, and (iii) promoting transnational mobility.

Recently, a fourth private university, 'Neapolis University — Cyprus', was given an initial operating licence in the city of Paphos, as from the academic year 2010–2011. The Council of

Ministers has approved the foundation of the Medical School at the University of Cyprus and the Department of Sciences of Rehabilitation at the Cyprus University of Technology.

Cyprus plans to expand post-secondary technical and vocational education by 2012–2013, which is highly important for increasing the skill levels and employability of young workers and upper secondary graduates.

Science and technology are focal disciplines at university level, which is very important in the drive to improve research and innovation. Cooperation between higher education institutes, business and the labour market is important. Private colleges are encouraged to offer short-term professionally orientated programmes lasting 1–2 years. This helps to create flexible pathways between academic higher education and the development of vocationally orientated skills, and will help to boost skill levels to ease young graduates onto the labour market and combat the relatively high levels of graduate youth unemployment. This policy is consistent with the European Semester recommendation to better match labour market needs. In general, new curricula will be fully implemented by 2016–2017 for the full development of new skills and key competences. Strengthening the anticipation capacities of the system could further increase its efficiency. Concerning VET, post-secondary institutes for technical and vocational education and training will be established, as will the new modern apprenticeship system, following up the European Semester recommendation.

Moreover, in 2010 the Ministry of Education and Culture, in order to establish a strong student welfare system so as to enhance equity and widen access to higher education, widened its financial support to Cypriot students by creating a special ‘student financial support package’, which aims to support students of low socioeconomic status. Through this ‘package’, targeted grants are given to eligible Cypriot students to cover living expenses and expenses on books and computers. Eligibility is based on socioeconomic criteria, and the amounts given are over and above the (€1700) financial support provided to every Cypriot student.

Furthermore, under a new law, the Minister of Education and Culture can regulate increases in the fees for private universities. There is no high drop-out rate in higher education in Cyprus. All the financial incentives described above contribute to this by eliminating financial considerations as a reason for student drop-outs. Public universities have a long tradition of student welfare services that support students likely to drop out of their studies. The Ministry of Education and Culture also supports the creation of Student Welfare Offices in private universities. Fees for attending undergraduate courses at public universities are paid fully by the government. At the same time, under-represented groups such as adult learners will be accepted by universities on the basis of special criteria (lower marks in entry exams).

4. MOBILITY

As regards tertiary education, Cyprus has a very high outbound long-term mobility (58.4% of students per year), more than half of the student population, one of the highest in Europe and about 20 times the EU average (2.8%). Students mostly study in the UK, the USA and Greece. However, short-term mobility under the EU Erasmus programme (0.6% of students in 2008/09) is below the EU average with indications of increasing trends.

International short-term mobility is also funded through the EU’s Lifelong Learning Programme, Erasmus Mundus and Tempus. The Cyprus Pedagogical Institute encourages staff mobility as well through participation of teacher trainers in various European programmes.

The main obstacles to mobility are recognition, foreign language skills, leave of absence from work, finding placement positions and also, for incoming mobility, expensive housing in Cyprus and lack of public transportation.

Europass is being promoted to recognise competences, and language preparation is offered by the LLP National Agency (NA) for outgoing mobility. In addition, the NA encourages SMEs to see a value in training staff, and publishes information on its website to facilitate matching between individuals and institutions. It also helps incoming students to find group housing.

The national qualifications framework (NQF) is intended to help with the problems of recognition, so EQF–NQF links then need to be fully implemented.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

There is a Lifelong Learning Strategy 2007–2013 focusing on adults. ESF projects support adult learning and adult training centres to foster greater labour market participation among women and elder people through continuous training.

Adult participation in lifelong learning (LLL) is relatively low (7.7% in 2010) for a country with a highly educated populace. The target is to reach 12% by 2020. The comparison of the citizens' participation rate in LLL programmes between 2003 and 2010 raises the need to investigate the stagnation of the rate below 8%. One of the main factors to be examined, in order to form the appropriate corrective policy, is the impact of the rapid increase of foreign workers in Cyprus who are also included in the research sample.

New skills for new jobs and skills forecasting are important in Cyprus as there are skills gaps and a high level of youth and graduate unemployment. A greater emphasis is being placed on VET at upper secondary level, post-secondary level and tertiary level. New post-secondary VET institutes will be opened in 2012–2013. The new apprentice system should be up and running by February 2012, and the universities are setting up courses targeting people on the labour market. But in general VET, especially at upper secondary level, is still seen as the *cinderella* of educational pathways, with only 13% of upper secondary pupils in VET streams. Indeed, there are only 11 upper secondary VET schools on the island. Some aspects in following up the European Semester recommendation are therefore particularly challenging.

The HRDC (Human Resource Development Authority) carries out systematic long-term employment forecasts, annual investigations of skills needs with the involvement of social partners, and identification of green skill needs. The Ministry of Education and Culture also helps to identify skill needs, together with the University of Cyprus, the Pedagogical Institute and the social partners. The Department of Labour has recognised the need for short-term employment forecasts (skill needs forecasts) and will attempt to address the issue.

6. INVESTMENT IN EDUCATION

| | Cyprus | | EU average | |
|--|--------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 5.35% | 7.41% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Despite the crisis, the budget of the Ministry of Education and Culture increased by 12.5% in 2009, 3.5% in 2010 and 2.4% in 2011. To fund the necessary educational reforms, the percentage of GDP spent on education rose from 7.1% in 2007 to 7.8% in 2009. Reforms are being implemented at a slow but steady pace. The HRDA has also put forward a special prevention action plan, together with the Ministry of Labour, to reduce unemployment and target its causes. This has entailed an increase in the HRDC budget from €12 642 261 in 2009 to €18 715 326 in 2010, or 40% in percentage terms.

7. CONCLUSIONS


While Cyprus has in general a good educational performance, a major challenge is to catch up with the EU average as regards adult participation in lifelong learning, so as to support the participation of low-skilled and older workers and women in the labour market.

Efforts are under way to implement the recommendations to reinforce vocational education and training, by creating new post-secondary institutes by 2012/13 and establishing a new apprentice system in 2012. These efforts will need to be sustained and intensified to render these educational paths more attractive and to improve overall quality, also by improving counselling and targeting within a lifelong learning perspective, in order to help curb youth unemployment.

CZECH REPUBLIC

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| CZECH REPUBLIC  | | Czech Republic | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 90.0% | 90.0% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 17.5% | 23.1% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 19.2% ⁰⁶ | 22.3% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 15.5% ⁰⁶ | 17.3% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 5.7% ⁰² | 4.9% ^b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 13.6% | 20.4% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 5.1% ⁰³ | 7.5% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³ = 2003, ⁰⁵ = 2005, ⁰⁶ = 2006, ⁰⁷ = 2007, ⁰⁸ = 2008, ⁰⁹ = 2009, e = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels'

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Despite the relatively low rate of early school leaving in the Czech Republic (5.4% in 2009), recent international studies have revealed shortcomings in quality and equity at primary and lower-secondary level, related in particular to inadequate training of teachers. The limited availability of pre-school facilities also plays a role, as this may create an education deficit which is difficult to remedy, particularly for children from low socio-economic backgrounds. At tertiary level, while the ratio of young people enrolled in universities is currently above the EU average, due to recent measures to ease access to tertiary education, the Czech Republic still had the second lowest tertiary attainment rate in the EU in 2009, and progress between 2000 and 2009 was also below the EU average. In addition, the ranking of Czech tertiary education institutes in international quality surveys remains low. Furthermore, spending per learner on formal education (at comparable prices) is in the lower quarter for the EU countries, and is especially low on primary education.

The NRP correctly identifies the main weaknesses of the Czech education system and outlines measures for all stages of education. At the lower levels, it aims to improve teachers' competences in order to cope with the envisaged increase in the inclusiveness of education. Appropriate sequencing and communication of reforms remains an important issue, so that schools and teachers are well prepared to handle these changes. Recent reforms (e.g. the curriculum reform) have had limited success, mainly because of insufficient initial and in-service training and a lack of understanding of the aims of the reforms.

Regarding tertiary education reform, the NRP indicates that most measures are likely to be implemented by 2013. The main principle of the reform is to increase the quality of tertiary education by linking the financing criteria primarily to the quality of each institution. Smooth functioning of the system would be conditional on the transparency of the quality evaluation and its ownership by all stakeholders. An important part of the package is the introduction of deferred tuition fees, which could help to address, at least partially, the issue of underfunding. Completing the tertiary education reform is also crucial, given its links to innovation and competitiveness.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (6)

Establish a transparent system of quality evaluation of academic institutions and link it to its funding in order to improve the performance of tertiary education.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

The Czech Republic already performs above the EU headline target for *early leavers from education and training*. The early school leaving rate was 4.9% in 2010, one of the lowest in the EU (EU average: 14.1%), and the national target is not to exceed 5.5% by 2020. This target is slightly below current performance, and the challenge is to maintain the low level given weak annual fluctuations.

Despite the favourable data, the rate will be continuously monitored and corrective measures will be taken if it starts to increase.

Early school leaving in the Czech Republic is addressed by a targeted counselling system for pupils at risk, together with a high degree of permeability between education paths (in particular towards vocational training). Some effective measures are in place to compensate for early school leaving, such as the possibility for early school leavers to complete later courses required for compulsory education. Early school leavers can also enrol for vocational training courses without completing compulsory education.

It is relevant to mention in this context that the impact of socio-economic background on educational attainment is significant in the Czech Republic. This seems to indicate that removing the associated disadvantages remains a challenge for the initial education system. The national action plan for inclusive education appears to be a positive move towards a more equitable balance. On a more general level, the PISA scores of Czech pupils have deteriorated, calling for a more efficient approach to raising and monitoring learning outcomes, and for improved teacher education and training. Some of the more recent measures, such as the planned standardised testing, would appear to be steps in the right direction, provided that the testing is part of a more complex system of monitoring. In addition, the system for monitoring schools should lead to further support for currently under-performing schools.

3.2. Tertiary attainment

Since 2008 there has been a rapid annual improvement in tertiary education attainment (20.4% in 2010). However, the Czech Republic is still far below the EU average of 33.6%, and in 2010 had one of the lowest shares of 30–34 year-olds with tertiary attainment in the EU.

The national target for tertiary education is 32%, which seems to be very ambitious compared to the 2010 figures. However, based on the current data on students enrolled at higher education institutions and projected demographic trends, an increase to 30–32% in 2020 is envisaged.

The Czech Republic has nevertheless made significant progress in the area of *MST graduates*, where the growth rate has been well above the EU average. On the other hand, the share of female graduates has improved but not reached the EU level.

In the near future, the Czech Republic does not intend to increase entry rates to higher education because the increase has been significant and very fast in previous years, mainly due to the newly established system of private higher education institutions, and is now in line with countries with similar education systems (e.g. Germany, Austria, Switzerland). The focus will be on the quality of higher education and its relevance to labour market needs, rather than the quantity of graduates. However, the Czech Republic intends to facilitate access to higher education, particularly for underrepresented groups, via a system of student loans and grants.

These measures are consistent with one of the flaws identified in the 2011 European Semester, i.e. insufficient quality in tertiary education, and the related specific recommendation. However, given the ambitious national target set by the Czech Republic for tertiary attainment, a considerable degree of commitment will also be required to address this other challenge.

4. MOBILITY

There are a whole range of mobility schemes in the Czech Republic: learning mobility for pupils, trainees, students and adult learners as well as education staff is mainly supported by the Lifelong Learning Programme. The EU Youth in Action programme is seen as an important tool in fostering EU awareness outside formal education. There are also other financial mechanisms and bilateral and multilateral agreements supporting learning mobility for learners and teachers. The funding of the main mobility schemes is complemented by national co-financing. Also, some national schemes, targeted mainly at higher education, support incoming and outgoing mobility.

As regards tertiary education, the Czech Republic has an outbound long-term mobility (2.6% of students per year) near the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.4% of students in 2008/09) is above the EU average. In 2009, 5.69% of HE graduates spent a period abroad during their studies, which lasted on average 6 months.

In the past, insufficient information at schools appeared to be a major obstacle to mobility, but this problem has been gradually redressed. Also, documents facilitating mobility and the transparency of qualifications are more and more widely used in the Czech Republic.

This overview seems to indicate that, in the Czech Republic, access to learning mobility is seen as an important right of every learner.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

In 2007 the Czech Republic adopted a resolution on a Lifelong Learning Strategy to provide a framework for developing lifelong learning in the period 2007–2015. The measures implementing the strategy primarily involve projects under the Education for Competitiveness Operational Programme, co-funded by the ESF, and will cover initial, tertiary and continuing education, in particular the link between initial and continuing education. A National Qualifications System (NQS) is also being developed as part of these projects. The Czech Republic has also adopted various measures to support the openness of and transferability between secondary programmes, secondary and tertiary studies, and continuing education.

Recent reforms adopted in the Czech Republic have focused on the quality and efficiency of education and vocational training, mainly through the adaptation of curricular documentation. One of the measures concerns reinforcing foreign language skills. Within this priority, there will be a focus on teacher training, with salary increases linked to progress. A coherent system of initial and in-service training is considered to be crucial.

From 2002 to 2007, the Czech Republic had one of the worst performances in the EU regarding participation in lifelong learning (it was only 5.7% in 2007 and around the same during the period 2002–2007). Even if it has since risen faster than the EU average (to 7.5% in 2010), it is still below the EU average (9.6%). In spite of the apparent progress achieved in the development of continuing education, it is still necessary to enhance the motivation of adults to participate in lifelong learning, especially the low-skilled and the elderly, who are the hardest hit on the labour market.

6. INVESTMENT IN EDUCATION

| | Czech Republic | | EU average | |
|---|----------------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 3.97 % | 4.08 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Public *investment in education*, as a percentage of GDP, has increased slightly since 2000, but the Czech Republic is still below the EU average. All types of schools are underfinanced.

As stated in the ET 2020 report, the budget of the Ministry of Education (ME) covers approx. 80% of all education expenditure. Public investment in education has been negatively affected by the crisis and the education budget as a proportion of GDP has been decreasing in recent years. The ME budget (without EU and FM funds) was 3.42% in 2009, but decreased to 3.34% in 2010 and to 3.18% in 2011. Expenditure is expected to decrease further in 2012 (3.05%) and 2013 (2.89%).

These trends do not appear to be consistent with the general recommendation from the European Semester 2011 to give priority to investment in growth-enhancing sectors such as education.

However, the co-financing for the ESF-funded projects will be maintained.


7. CONCLUSIONS

The planned complex reform of the higher education system provides an opportunity to respond to the double challenge of ensuring the sustainable and sufficient funding of higher education and improving its quality and performance. The measures announced include a revised funding mechanism increasingly linked to the outcomes of research projects and the introduction of tuition fees with the aim of boosting private funding. In addition, the number of students studying in masters programmes is to be regulated and the quality of students entering higher education is to be ensured by standardised secondary school-leaving examinations. Strengthening the responsiveness of the higher education system to the needs of the labour market and industry remains an important challenge, however. Finally, in the implementation of reforms to improve the quality of public finances, attention must be given to safeguarding expenditure on growth-enhancing items such as education.

DENMARK

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| DENMARK  | | Denmark | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 95.7% | 91.9% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 17.9% | 15.2% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 13.6% ⁰⁶ | 17.1% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 18.4% ⁰⁶ | 16.6% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 11.7% | 10.7% ^b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 33.1% | 47.0% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 24.2% ⁰³ | 32.8% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³ = 2003, ⁰⁶ = 2006, ⁰⁷ = 2007, ⁰⁸ = 2008, ⁰⁹ = 2009, e = estimate, b = break, p = provisional

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Despite Denmark's generous spending on its education system, educational outcomes are only average in several key areas. Denmark has the fourth lowest youth education attainment level in the EU-27. In 2009, only 70% of 20–24 year-olds had completed at least upper secondary education. Early drop-out rates from vocational youth education (almost 50%) are rather high. Addressing these challenges should also be seen in the context of future skills needs and possible labour shortages. A rise in overall education levels and educational quality could positively impact on labour supply and productivity growth. The Danish government has taken a wide range of initiatives to address educational performance issues. To increase the attractiveness of vocational youth education and to reduce drop-outs, efforts include measures to upgrade the qualifications and competences of staff and the provision of more practical training placements in companies and the public sector, allowing for shorter and more practical sequences for students with a practical orientation.

In addition, the government has thoroughly reformed compulsory education, focusing efforts on teacher education, national testing, and more lessons in specific subjects. Recent initiatives, still not adopted by parliament, target the quality of compulsory education and should be seen in the light of the government's goal of 95% of young people completing upper secondary education in 2015. The creation of more apprenticeships for vocational education and training also plays an important role, since the lack of apprenticeships impacts vocational education attainment levels negatively. In this context it should be noted that the government (in November 2010) has concluded an agreement with an overall budget of DKK 2.4 billion to ensure 8 900 apprenticeships for vocational youth education in 2011.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (3)

Speed up the implementation of reforms to improve the quality of the education system. Reduce drop-out rates, particularly in the vocational education sector, and increase the number of apprenticeship places available.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Denmark performs better than the EU average as regards early school-leaving, with a rate of 10.7% compared to the EU average of 14.1% in 2010, although the rate has decreased only moderately over the last decade (from 11.7% in 2000). Denmark has set a national target of 10% early school leavers in 2020, which seems broadly in line with the development between 2000 and 2010. It is notable that while Denmark's performance on the early school leaver indicator is good, performance on upper secondary completion is relatively poor. The reason is that a relatively large share of 18–24 year-olds undertake educational activities (i.e. do not come under the definition of early school leavers) without obtaining an upper secondary education before they turn 24.

Since 2006, there has been a focus on ensuring that more young people complete upper secondary education as part of the Danish globalisation strategy. Progress is to be achieved through a wide range of initiatives addressing both primary and lower secondary education as well as upper secondary education, where the contribution of vocational education and training programmes is crucial.

In line with the challenges identified in the European Semester and the relevant specific recommendation, particular focus is placed on the drop-out rate in vocational education and training programmes. Data are collected on student participation and completion. They provide the basis for a systematic and targeted effort by schools to prevent drop-out. Moreover, since 2008 all institutions offering vocational education and training programmes have been required to draw up action plans to help ensure that more students complete an upper secondary education. It is up to the individual college to decide which initiatives are to be launched locally to achieve the optimal effect.

Similarly, several initiatives have been launched to raise standards in primary and lower secondary education. These include mandatory national tests, more timetabled lessons in specific subjects, extension of compulsory education from nine to ten years, pre-school education made compulsory, improved physical environment, etc.

The measures outlined above appear to be consistent with the overall European Semester analysis and indications.

3.2. Tertiary attainment

As regards higher education attainment, Denmark has progressed significantly, from 33.1 % in 2000 to the current rate of 47 % (2010), which is well above the EU average of 33.6 %.

However, the growth in MST graduates is below the EU average, although the share of female MST graduates is above the EU average and the gender balance has improved markedly.

Denmark has signed up to the EU headline target for tertiary attainment of at least 40 % 30–34 year-olds having completed a tertiary or equivalent education in 2020. To achieve the national Europe 2020 target, Denmark is implementing reforms under three distinct headings: young people must *seek admission to*, *be admitted to* and *complete* a study programme.

To enhance young people's interest in tertiary education, various information campaigns have been undertaken to broaden the appeal and is attempting to encourage young people to start tertiary education earlier.

There is on-going dialogue with universities to increase capacity and ensure that the present capacity is used to the full. This includes development contracts with higher education institutions targeting issues such as quality, increased intake and efficiency.

To improve completion rates, the development contract between the ministry of education and each institution sets out specific requirements for the completion rate of students in tertiary education. Moreover, a number of initiatives have been taken to improve programme completion, including a clearer semester structure, a closer linkage between exam and teaching content, and improved study guidance.

Attention has also been given to the need to get young people through the education system faster (Danes have a comparatively high average graduation age). The Labour Market Commission estimates that reducing the average study period by half a year could increase employment by 8 000.

4. MOBILITY

The number of Danish young people taking a full or partial degree programme abroad is rising. This can be attributed partly to the introduction of a national grant for studying abroad, which came into force on 1 July 2008 and which gives students in higher education the possibility to receive a grant to cover tuition fees in connection with study periods or taking a full Master's degree programme abroad.

As regards tertiary education, Denmark has an outbound long-term mobility (2.4% of students per year) slightly below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.7% of students in 2008/09) is also slightly below the EU average.

It is estimated that 16% of higher education students have been on a study period or a work placement abroad lasting more than three months. Moreover, the number of international students who come to Denmark to study has been rising each year since 2000/01. To promote Denmark as an attractive study destination, a number of initiatives were launched in the period 2009–2011 to attract and retain international students.

In vocational education and training, several possibilities are available, in particular the programmes 'Exchange and internships', 'Cooperation and projects' and 'Competence development and study visits'. The majority of trainees choose to go on an internship period in the Nordic countries and the English-speaking countries, although Germany and the Netherlands are also popular internship destinations. The national scheme 'Internships Abroad' (PIU — Praktik i udlandet) aims to give apprentices and trainees the international competences needed in an increasingly globalised world. The scheme covers internship agreements arranged throughout the world.

In primary/lower secondary education and general upper secondary education, various initiatives have been launched that are expected to strengthen the international dimension in the teaching and mobility of pupils, teachers and guidance counsellors within primary/lower secondary education and general upper secondary education.

Mobility is not highlighted as a specific goal in adult education provisions. The measures outlined above appear to be broadly consistent with the Council recommendation 'Youth on the move — Promoting the learning mobility of young people' of May 2011.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

In 2006, the Danish government laid down a coherent strategy for lifelong learning. This strategy is based on the work of the Globalisation Council and the broad political agreement entitled 'Agreement on future prosperity and welfare and investment in the future'. The strategy and the substantial funds allocated to its implementation have created the basis for the coherent long-term development of human resources over the period 2007–2012.

The strategy includes initiatives for all levels of the education system. The vocational education and training system has been thoroughly revamped, including an increase in the number of work placements, quality development and an effort to reduce drop-out. Moreover, to reduce drop-out at the interface between primary, lower secondary and upper secondary education, the government has strengthened guidance services. The strategy also includes targeted offers for adults at higher education level, and a focus on recognition of prior learning acquired through informal and non-formal education. To further support lifelong learning and mobility, a Danish national qualification framework for lifelong learning was developed and implemented from 2007 to 2010. The referencing to EQF will be completed in May 2011.

In line with the outcomes of the 2011 European Semester and the corresponding recommendation, Denmark has also improved financial incentives in vocational education and training to encourage companies to establish more apprenticeship contracts. For continuing training, a number of initiatives have been taken to make adult vocational training more attractive, targeted and flexible in relation to the needs of the individual and those of enterprises. Moreover, in 2010 13 regional adult education and training centres were established to improve the overall infrastructure for guidance and provision of adult vocational education and training.

Adult participation in lifelong learning in Denmark has been increasing significantly since 2000. It is now the highest in the EU and more than three times the EU average.

Recent initiatives to improve skills forecasting include the ‘On-indicator’ which measures the extent to which each particular programme matches labour market needs. It combines the likelihood of admission to a programme with the employment of new graduates. The idea is to obtain a picture of the match between programme places and current labour market demand for graduates from specific programmes. Moreover, since 2008 the Ministry of Education has set aside funds for carrying out centralised analyses and forecasts within the vocational education and training field with the aim of identifying the future needs of the labour market for skilled labour.

These measures should help avert the skills imbalances expected in the labour market, as referred to in the European Semester analysis.

6. INVESTMENT IN EDUCATION

| | Denmark | | EU average | |
|---|---------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 8.29% | 7.75% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Denmark has the highest public spending on education in the EU and continues to allocate nearly 8% of GDP to education, although this percentage is declining.

The economic crisis and the rise in unemployment have contributed to increased demand for education at both upper secondary and tertiary level. As a consequence of the ‘taximeter’ system, which is activity-dependent, the level of spending has risen in step with the increased demand. Hence, expenditure rose by more than 14% from 2008–2010. In order to encourage companies to offer more training contracts, the financial reward for creating work placements has been raised.

To consolidate Danish public finances, a fiscal consolidation package was implemented in 2010, which has also hit the education system with both general and selective cuts. However, the total level of educational expenditure is expected to remain stable in the years ahead.

Taking into account the general European Semester recommendation to promote expenditure in growth-enhancing sectors such as education and training despite tight budget policies, the quality and efficiency of expenditure will be crucial in this context.

7. CONCLUSIONS

In line with the specific recommendation of the European Semester, Denmark has pursued efforts to improve the quality of its education system, e.g. by establishing a Danish national qualification framework for lifelong learning and referencing it to EQF.


To monitor the high drop-out rates in vocational education and training, Denmark has been systematically collecting data on pupil participation and completion to help identify potential drop-outs and enable preventive measures to be taken. In particular, all institutions offering vocational education and training (VET) programmes have been required to draw up action plans to ensure that more pupils complete upper secondary education.

In line with the outcomes of the 2011 European Semester, Denmark has increased financial incentives in VET to encourage companies to establish more apprenticeship contracts and thus help to raise vocational education attainment levels.

ESTONIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| ESTONIA  | | Estonia | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 87.0% | 95.7% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 13.6% ⁰⁶ | 13.3% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 12.1% ⁰⁶ | 12.6% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 7.7% ⁰⁶ | 8.3% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 15.1% | 11.6% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 30.8% | 40.0% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 6.7% ⁰³ | 10.9% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹= 2001, ⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional, u=unreliable

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Notwithstanding the very good performance of Estonia in PISA, and the overall high share of people with tertiary education, there are significant skills gaps, an excessive number of schools and tertiary education institutions, and a rather unfocused professional education. A comprehensive education reform could also improve public sector efficiency, as currently the system appears too fragmented at local level, leading to inefficient subsidies and low quality services.

The government has set quite an ambitious target for lifelong learning (LLL). Though the possibilities for training and retraining will be extended, there is a wide participation gap between those already well-qualified and those in need of additional training. It may, therefore, be advisable to further target the most disadvantaged social groups, increase the attractiveness of LLL, raise awareness of its importance, and involve employers.

In parallel, the government intends to address the high rate of early school leaving (ESL) for boys and the high number of young people with a low education level. The target set for ESL (9.5% in 2020) is to be achieved through careful implementation of the recent Schools Act, extended career counselling, and the development of key competences, creativity and entrepreneurship. However, the response to the ESL problem remains fragmented and insufficient. The transition from school to the labour market could be smoothed by establishing a system for learning assistance that would start as early as pre-school level. However, the government continues to delegate most activities to local authorities, which have been unable to cope with existing tasks. Increasing the efficiency of local authorities is therefore a key challenge. More generally, far-reaching reforms to prevent drop-out, mainly concentrating on disadvantaged groups and early intervention, may be necessary, and the possibilities for re-entering mainstream education could be increased.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (4)

While implementing the education system reform, give priority to measures improving the availability of pre-school education, and enhance the quality and availability of professional education. Focus education outcomes more on labour market needs, and provide opportunities for low-skilled workers to take part in lifelong learning.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Enhancing the quality, availability and effectiveness of education are the main priorities of the Estonian government in the field of education, as formulated in the National Reform Programme in April 2011.

Estonia has set itself the target of reducing early school leaving to 9.5% by 2020. Between 2000 and 2009, the number of early school leavers fell only gradually (from 15.1% in 2000 to 13.9% in 2009), but in 2010 decreased sharply to 11.6%. Therefore, the national target seems ambitious but achievable. Early school leaving and drop-out are seen as one of the biggest

challenges for education in Estonia, so the government has started implementing preventive measures and preparing further measures.

Participation in early childhood education has increased significantly over the last decade, and with 95.7% in 2009, Estonia performs better than the EU average and is already above the 2020 EU benchmark. However, a gap exists in public early child care (1.5-2 year olds), corresponding to the end of parental leave and the start of pre-school education, which has an adverse effect on the employability of young parents and is only partially compensated by private day care facilities.

Priority is being given to implementation of the new state curricula for basic schools and upper secondary schools and support systems as set out in the Basic Schools and Upper Secondary Schools Act. The Estonian Education Information System (EHIS) contains information on every student, which allows data to be gathered on early school leaving in terms of level of education and age group. School drop-out in Estonia is highest in the last two years of basic school (grades 7–9), first-year general upper secondary school and first-year vocational education (21.1%). The average drop-out rate in vocational education and training during the 2009/10 academic year was 18.1% (national data).

This shows that the learning process and learning environment do not support the proper development of pupils' abilities during basic school. Secondly, the education and career counselling system has also been insufficiently effective so far.

3.2. Tertiary attainment

Estonia has set a national target of 40% for higher education attainment. This is on the assumption that in the long term, the primary priority of educational policy is to raise the quality and international competitiveness of higher education and increase the number of student places provided by the state. The percentage of people with tertiary education in Estonia has seen stable growth in the past ten years and has already reached 40% (from 30.8% in 2000 to 40% in 2010).

The growth in the share of *MST graduates* between 2000 and 2009 was 50.1%, significantly higher than the EU average growth rate of 41.5%. Furthermore, the gender balance improved by 4.1% percentage points between 2000 and 2009, with the share of female *MST graduates* reaching 39.8% in 2009, well above the EU average of 32.3% .

According to projections, the number of students entering tertiary education will decrease by around 5% a year in the near future. Estonia plans to increase entry rates to tertiary education by various measures, such as offering state-provided study places for at least 50% of general upper secondary graduates, implementing flexible forms of study and providing special support for students with special needs.

Other measures aim to improve the completion rates of students in tertiary education. The drop-out rate has ranged between 13.8–16.5% during recent years. The TULE programme targets individuals who interrupted their studies during the period of economic boom by offering around 800 such persons the possibility to return to their studies in the period 2010–2013. A new educational support system, based on a socio-economic distribution principle, is under development. The network of study and career counsellors has been strengthened and recognition of prior learning and work experience has been implemented, which will also contribute to increasing attainment rates in tertiary education.

The internationalisation of Estonian tertiary education is part of the higher education strategy for 2006–15. The main courses of action include the creation of a supportive legal

environment, the internationalisation of teaching and development of a support system for internationalisation, as well as a new strategy for marketing Estonian higher education to foreigners.

Reforms in tertiary education will also need to respond to the challenge of making tertiary education more cost-effective, as pinpointed in the outcome of the European Semester. This would require a reduction in the number of tertiary education institutions, and a clearer division of labour between the different institutions coupled with a more precise definition of their competences. The planned institutional accreditation system, which is to be developed in 2011, would be a right step in this direction by helping tertiary education institutions in better defining their profile.

4. MOBILITY

As regards tertiary education, Estonia has an outbound long-term mobility (4.9% of students per year) clearly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.8% of students in 2008/09) is near the EU average.

Estonia promotes the European and international dimension at nearly all stages of education, but particularly in tertiary education.

Outcome-based curricula as well as possibilities for recognition of prior learning are beneficial for learning mobility. There are short-term mobility opportunities for higher education (3–21 days) under various mobility schemes besides Erasmus, as well as opportunities for mobility periods of 1 semester or 1 academic year. There is active marketing of Estonian higher education for foreign students, which has increased the number of incoming students by 8% yearly, mainly at master's and doctoral level.

Both vocational and higher education institutions have acquired the possibility, through EU support, to invite foreign lecturers and researchers, to modernise their study facilities and to renew their curricula, also in foreign languages.

The main obstacle as regards VET mobility remains the limited availability of financial resources for such programmes. In order to encourage the mobility of adult students, Estonia participated in the 'Learning Ambassador' programme, through which successful students introduced their mobility experiences to others.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Estonia is currently in the process of renewing its previous lifelong learning strategy. Currently there are different strategies in the field of education, which are closely connected with one another and together seek to develop a lifelong learning system in the country.

The Estonian Cooperation Assembly, together with the Estonian Education Forum and the Ministry of Education and Research, began drafting the 'Estonian Education Strategy 2020' during the second half of 2009. The future strategy aims to offer coordinated solutions for key topics in the Estonian education sector.

Estonia has progressed in developing a national qualifications framework. The new national qualifications framework is overarching, linking competence-based professional qualifications and formal educational qualifications into one system. The new framework is to be implemented by 2013 (i.e. through development of new qualification standards, new curricula and procedures for awarding qualifications).

Estonia has undertaken to increase its efforts to raise the participation rates of adults in lifelong learning, by setting an additional national target in its National Reform Programme. The participation rate among the 25–64 age group is to be increased from the current 10.9% in 2010 to 20% by 2020. To do this, additional substantive and financial measures need to be implemented. The emphasis will be on measures such as broadening the opportunities for adults to take part in training and retraining measures, increasing the financing of adult training measures and offering vocational education to adults who lack professional education.

A further national target aims to reduce the share of adults without any vocational education or training from the current 32% to 30% by 2020. The number of people who lack vocational education or training is highest in the youngest age group, among those aged 25–34 — 35% in 2010. The target takes into consideration ongoing measures to provide those who have discontinued their education with opportunities to acquire a degree. Additional measures are also planned to reach this target.

In response to the need to match skills with labour market needs, the Estonian Ministry of Economic Affairs and Communications has made a forecast of labour market needs for the coming 7 years. However, an analysis by the Bank of Estonia shows that precise prediction of the skills needed after the economic recovery is problematic. Recent measures target raising the overall level of skills and key competences, through the new curricula for basic schools and upper secondary schools, flexible study opportunities, an increased role for lifelong learning, reducing drop-out at all levels of education, and fostering more cooperation between education institutions and enterprises.

A large proportion of ESF resources in Estonia is devoted to education and improving labour market readiness. In the area of VET, measures include curriculum development, in-service training of VET teachers, and infrastructure development for VET institutions. A new VET law is expected for 2012. The process will include internal evaluation of VET schools and accreditation by external experts. Finally, the Professions Act envisages, from 2011, the possibility to combine graduation from an educational institution and awarding of a professional qualification, provided that the study programme corresponds to the professional standard and is accredited. These measures are consistent with the specific recommendation from the European Semester and offer the possibility to tackle the two major bottlenecks in the country's education system through improving responsiveness to labour market needs by enhancing vocational training and promoting lifelong learning.

6. INVESTMENT IN EDUCATION

| | Estonia | | EU average | |
|---------------------------------------|---------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 6.10% | 5.67% | 4.88% | 5.07% |

Source: Eurostat (UOE)

While Estonia in the period 2004–2007 had a lower level of investment in education than the EU average, the share in 2008 exceeded the EU average. Nevertheless, public spending on education as a percentage of GDP has decreased compared to the level in 2000.

The country has given priority to investment in education in recent years, and education is generally seen as an important area in Estonia. The education sector is designated as a priority for the coming years in the government coalition programme, agreed on 4 April 2011. In

recent years, Estonia has invested 14–15% of total public expenditure in education. In 2010, the budget of the Ministry of Education and Research increased by 12% in comparison to 2009. However, growth was based mostly on an increase in the amount of foreign assistance. The budget grew by 2% when foreign assistance is factored out. In comparison, the state budget increased by 0.4% during the same period and shrunk by 1.5% without foreign aid. Therefore, one can state with certainty that education was a priority area in Estonia and experienced smaller cuts during a time of spending cuts.

During the crisis years the general interest in education increased. The number of adults enrolled in evening and distance courses for basic and general secondary education increased by 12.6% in 2009 compared to the year before. There was significant growth in the number of students enrolled in VET, despite the demographic decline in the main age group entering VET. As a consequence, the ministry reduced the per capita amount for VET students in order to be able to satisfy the increased demand. A large number of persons who had taken a break from education for a few years, or discontinued their studies at another educational institution, entered vocational education and training during the years 2009 and 2010.

During the years 2009 and 2010, the basic payment for state-provided study places in higher education institutions was reduced by 16.1% in connection with the economic crisis. The crisis also had an impact on the education choices of higher education students — while enrolment in state-provided study places increased by a few percentage points during the 2009/10 and 2010/11 academic years, enrolment in non-budgetary (i.e. paid) places declined by 7% in 2009/10 and by 12% in 2010/11. National funding for new enrolments in higher education will rise by 10% as of autumn 2011. The basic payment for professional higher education studies will rise by 22.2% and be made equivalent to the basic payment for BA studies.

Investment in education has enjoyed priority over the past years, and as stated in Estonia's NRP, education spending is set to play an even more prominent role in government expenditure. It will be important to combine the increased expenditure with the planned efficiency gains.

7. CONCLUSIONS

The main priority for Estonia will remain improving the quality of the education system, in particular by making VET more relevant for the needs of the labour market.

As regards general education Estonia plans to adopt measures aimed at reducing drop-out rates, optimize the network of upper secondary schools and increase the access as well as the availability of career guidance and counselling services.

Estonia aims to increase the adult participation rate in lifelong learning to 20% and reduce the share of adults without professional or vocational education to below 30%, both in line with the recommendation from the European Semester.


During the process of renewing its lifelong learning strategy and in the planned 'Estonian Education Strategy 2020' could involve putting a stronger focus on specific target groups, such as low-skilled workers.

As mentioned by the recommendation another area which will deserve further attention is early child care.

FINLAND

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| FINLAND  | | Finland | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 55.2% | 73.1% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 7.0% | 8.1% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 6.0% ⁰⁶ | 7.8% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 4.1% ⁰⁶ | 6.0% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 9.0% | 10.3% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 40.3% | 45.7% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 22.4% ⁰³ | 23.0% | 8.5% ⁰³ | 9.1% ¹⁰ | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³=2003, ⁰⁶=2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Youth unemployment, a major concern at the beginning of 2010, eased considerably during the year and has continued to improve in 2011. Nevertheless, even taking into account the improvement and the fact that statistics may be exaggerating the problem (Finnish unemployment numbers also include full-time students who are looking for a part-time job alongside their studies) youth unemployment remains high and above the EU average (21.4% vs 20.9% in 2010). To counteract the demographic changes, a fast transition from education and training to work is crucial. Currently, young people enter the labour market relatively late in Finland.

Finland's target for education and training by 2020 is to raise the proportion of 30–34 year-olds having completed tertiary education to 42% and to lower the proportion of early school leavers among 18–24 year-olds to 8% or less. According to the EU Labour Force Survey, 45.8% of 30–34 years olds have tertiary attainment, which is above the EU average. The share of early school leavers (9.9% in 2009) is below the EU average (14.4%). The Finnish education and training system is generally performing very well. However, adapting education and training to meet labour market needs remains a continuous challenge.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (4)

Take measures to improve the employability of older workers and their participation in lifelong learning.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

While the share of early school leavers (10.3% in 2010) is below the EU average (14.4%), it has remained largely unchanged over the last decade. Finland's target is to increase the completion rate for upper secondary education to 95%, which can be translated into a target of reducing the proportion of early school leavers among 18–24 year-olds to not more than 8%. Measures to reduce early school leaving include prevention and intervention, such as flexible basic education ('Jopo'), improved guidance and counselling, language learning (both the language of instruction and the mother tongues of students with an immigrant or minority background), intensified special educational needs support, a more work-related approach to learning with those at risk, and programmes for immigrant students to help them succeed in VET. Youth workshops, intensified outreach activities and a guarantee for either education, training or a job placement in close collaboration between the individual and job centres are measures to compensate for early school leaving.

The measures set out in the National Reform Programme and the national ET2020 report seem to provide the right responses to the structural challenges implied by the stagnating (and recently even slightly growing) early school leaving rate. Making apprenticeship-based VET more attractive for young people could, however, be another step towards lowering drop-out rates among groups at risk. Another measure is Job Start aimed at young people who have completed their basic education but do not yet have a clear idea of their choice of occupation

or who do not possess the necessary competences for applying for VET and succeeding in their studies.

3.2. Tertiary attainment

According to Eurostat's Labour Force Survey in 2010, 45.7% of 30–34 year-olds have a tertiary attainment above the EU average. However, the plan is to exclude college-level qualifications from the indicator in the forthcoming years, which will reduce the figure to 37–38%. In this context, Finland's target is to raise the proportion of 30–34 year-olds having completed tertiary education to 42%. At the same time, smaller age cohorts and the aim to raise pass rates to 75 %, mean that the number of study places does not need to be increased.

With regard to MST graduates, the absolute number has increased since 2000, although less than the EU average. The share of female MST graduates is also slightly below the EU average.

By international standards, study times in Finland are long. Measures are thus being taken to reform admission and speed up graduation with a view to lowering the age of entry into the labour market. Moreover, structural changes, such as mergers of institutions, are seen as an opportunity to allocate funding efficiently to quality, for instance by improving the teacher-student ratio.

With these measures, Finland seems to be on track towards achieving the 2020 target.

4. MOBILITY

As regards tertiary education, Finland has an outbound long-term mobility (2.7% of students per year) near the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.1% of students in 2008/09) is above the EU average. Tertiary mobility has grown by nearly 40% from 2000. Today, one fifth of students in polytechnics and universities participate in a mobility scheme. As regards teachers and researchers, there has been an increase in mobility in the polytechnics. Concrete targets have been set for mobility up to 2015.

In general education, the Comenius and Nordplus programmes along with many international private organisations are used for student mobility and school cooperation. In VET, Leonardo da Vinci was the most popular scheme (45% of the total), although nearly 37% of this mobility was financed by VET institutes themselves. The current policy of merging VET institutions into bigger entities is seen as conducive to internationalisation and mobility, due to increased resources. Moreover, modularisation and compatibility with the credit transfer system facilitate mobility.

As regards teachers' mobility, there were more incoming teachers than outgoing. Most teacher mobility was financed by the institutions themselves.

As internationalisation is highly valued in curricula, national funding supplements Comenius and other mobility programmes. New quality criteria for mobility were introduced in 2011.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Finland's lifelong learning policy is implemented by two ministries: the education system as a whole, including the voluntary adult education sector, is under the Ministry of Education and Culture, while labour market training is the responsibility of the Ministry of the Employment

and Economy. The emphasis of LLL policy has for several years been on ensuring equal access and improving the quality of education and training.

With regard to widening participation in early childhood education and care, Finland has made considerable progress since 2000, but is still 20 percentage points below the EU average. It should however be noted that the statistical data for Finland in this field are currently being improved due to concerns about their validity and comparability with other EU countries.

While adult participation in lifelong learning is already more than twice the EU average, additional measures have been taken to further increase access and participation. Specialist VET qualifications now provide a general eligibility for higher education and an allowance has been introduced to encourage employees to update their skills. Moreover, receiving unemployment benefit no longer rules out participation in training. A Council for Lifelong Learning, established in 2009, issues expert opinions on LLL and includes all relevant stakeholder groups.

The Government Institute for Economic Research is responsible for labour forecasts, which are used by the National Board of Education for educational forecasts. In collaboration with these two, regional councils coordinate the anticipation of medium and long-term education and training provision needs. The national development plan for education and training sets the targets for provision in initial VET, polytechnics and universities.

Finland has overall a well-developed lifelong learning system with a high level of permeability through flexible pathways and with particularly high participation rates in continuing education and training. However, the relatively high youth unemployment, as noted in the Staff Working Document on the implementation of the Integrated Guidelines, indicates certain challenges for the transition from education to the labour market. Targeted measures in line with the Agenda for New Skills and Jobs, such as further increasing the practical relevance of curricula, could be beneficial in this respect.

6. INVESTMENT IN EDUCATION

| | Finland | | EU average | |
|---|---------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 5.89% | 6.13% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Investment in education as a percentage of GDP increased slightly in Finland and exceeded the EU average by over 1 percentage point in 2008.

For decades, Finland has invested heavily in the education and competences of the population. The extensive education and training supply has promoted equality and social mobility. Even during the economic and financial crisis Finland continued to invest in education and devoted resources to competence development, creativity and innovation, targeted to changing needs. Recent measures include the reduction of class sizes in compulsory education, diversifying university funding under the Universities Act and setting up a business cluster to exploit the successful elements of the Finnish education and training system.

With its funding priorities for education and training, Finland is in line with the Annual Growth Survey and the Conclusions of the Spring European Council, which both advise such growth-friendly investment in times of crisis as well.

7. CONCLUSIONS


Finland's education system performs well in terms of both the quantitative targets and the quality of educational outcomes, as measured by PISA. However, increasing the responsiveness of the education and training system to labour market needs and reducing youth unemployment remain challenges. Current measures taken in the area of higher education respond to this challenge by shortening graduation times and accelerating graduates' transition to employment.

While adult participation in lifelong learning is one of the highest in Europe and provision for lifelong learning has traditionally been good in Finland, further efforts should be made to ensure adequate provision for up-skilling. Current initiatives, including the allowance provided to employees to upgrade their skills and the direct progression routes from vocational qualification to higher education, are good steps in this direction. Nevertheless, given the demographic challenges, targeted measures should be developed for older workers, also with the aim of keeping them active longer on the labour market.

FRANCE

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| FRANCE  | | France | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|----------------------|---------------------|----------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 100 % | 100 % ⁰⁹ | 85.2 % | 91.7 % ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 15.2 % | 19.8 % ⁰⁹ | 21.3 % | 20.0 % ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | - | 22.5 % ⁰⁹ | 24.0 ⁰⁶ | 22.2 % ⁰⁹ | - | 15 % |
| | Science | - | 19.3 % ⁰⁹ | 20.3 ⁰⁶ | 17.7 % ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 13.3 % | 12.8 % ^b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 27.4 % | 43.3 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 7.1 % ⁰³ | 5.0 % ¹⁰ | 8.5 % ⁰³ | 9.1 % ¹⁰ | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³=2003, ⁰⁶=2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

France is above the EU average on the two headline targets in the field of education and training (early school leavers and higher education attainment). There is, however, room for improvement, in particular to tackle inequalities in education and training. Two major weaknesses of the French education and training systems are school failure and low adult participation in lifelong learning. Too many young people leave school without basic skills or without qualifications and are unemployed or trapped in poor-quality jobs. At the other end of the age spectrum, the employment rate of seniors is low in France. Improving access for adults to education and training is crucial to increase the employability of the workforce and, in particular, the employment rates of low-skilled and older people.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States Recommendation (3)

Encourage access to lifelong learning in order to help maintain older workers in employment and enhance measures to support return to employment. Step up active labour market policies and introduce measures to improve the organisation, decision-making, and procedures of the public employment service to strengthen services and individualised support provided to those at risk of long-term unemployment.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

France performs above the EU average as regards early school leaving with a rate of 12.8% compared to the EU average of 14.1% in 2010, but the rate has decreased only moderately over the late decade (from 13.3% in 2000). France has set a national target of 9.5% by 2020. Considering the modest improvement between 2000 and 2010, this represents a significant decrease, which would help to tackle the problem of youth unemployment and labour market segmentation.

The government envisages a wide range of initiatives, including better monitoring of early school leavers (national evaluation, better exchange of information among different services at national and local level), plans to prevent and correct low achievement (plan to prevent illiteracy, new ambition for sciences and technologies at school), individualised support and guidance (in particular with the reform of upper secondary education) and some measures to tackle inequalities (disadvantaged areas, migrants who do not speak French, special needs). There is particular emphasis on experimental initiatives, such as boarding schools for disadvantaged pupils (*internats d'excellence*). Most of these measures focus on secondary level (*programme CLAIR, internats d'excellence*) and compensatory programmes (*les écoles de la deuxième chance, établissements de réinsertion scolaire, micro lycées*). There is less emphasis on prevention measures at primary or pre-primary level or the education and training of teachers.

3.2. Tertiary attainment

France has progressed significantly from 27.4% in 2000 to the current tertiary attainment rate of 43.5% (2010), which is well above the EU average (33.6%). France has set a national target of 50% higher education attainment for the 17–33 age group by 2012.

The reforms of upper secondary education (lycées) aim in particular to increase entry rates to higher education. Enhanced guidance and better information systems ('Admission Post-Bac') should contribute to this objective. In addition, the reform of vocational upper secondary education (*baccalauréat professionnel*) should reinforce the attractiveness of VET and facilitate the transition of students from VET to higher education. Financial support for disadvantaged groups has increased (with more and better scholarships).

The development of university guidance and implementation of a special plan (*Plan Réussir en Licence*) should limit drop-out in the first years of university, which is a major issue in France, and improve the transition from university to the labour market. After an experimental phase, the most successful measures will be rolled out generally in 2011. The content of *Plan Réussir en Licence* will also be reviewed to include transversal competences and to enhance transparency and quality assurance. The ongoing measures expected to contribute to the national target also include the development of more flexible pathways between different forms of tertiary education (*classes préparatoires, BTS, DUT, licence, première année de médecine*).

4. MOBILITY

France is committed to promoting the outgoing/incoming learning mobility of students in different education sectors. Regarding pre-school and school education, France has made use of Comenius and Leonardo da Vinci, but has also issued a ministerial circular to encourage the administrations within the regions ('académies') to develop a mobility strategy and a decree to encourage schools to develop cooperation and partnerships with European and foreign counterparts.

The number of French students studying abroad under the Lifelong Learning Programme (LLP) has significantly increased (+6.3% in 2009–2010 compared to 2008–2009), making France the main 'provider' of Erasmus students. To facilitate learning mobility, the ministry of higher education has also promoted bilateral agreements for the recognition of diplomas and the development of joint masters. National and regional authorities also provide financial support for mobility.

The share of incoming students in French higher education is also significant. To facilitate the integration of foreign students, France adopted a new visa policy in 2009. It also established special centres in 2007 (*Centres pour les études en France*), which now manage most of the demand and inflow.

There is particular emphasis is on the mobility of teachers under the LLP, and a specific programme 'Jules Verne' was launched in 2009. However, the coverage of this programme (162 teachers) remains modest at this stage.

Beyond financial support and cooperation schemes, France, in particular via the 'Agence Europe éducation formation', promotes mobility through awareness-raising campaigns and seminars.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

One of the major education and training bottlenecks in France is the low adult participation in lifelong learning. Here, France performs below the EU average (5% in 2010 compared to an EU average of 9.1%) and its performance is deteriorating (from 7.1% in 2000 to 5% in 2010). While improving the access of adults to education and training is crucial to increase employment rates among the low-skilled and older people, the participation of adults in training is below the EU average and there has been no progress in the last decade. In 2009, the law on guidance and vocational training had the objective to encourage the development of a coordinated national strategy, planned and implemented by national authorities, the regions and the social partners, “*and aiming at allowing each person, beyond his status, to obtain and update knowledge and skills that foster professional evolution, and make him improve in at least one level of qualification during his professional career.*”

Key competences (including basic skills such as literacy, numeracy, digital literacy) form a basis for further learning. In line with the European Framework of Key Competences, France has implemented a competence-based approach at primary and secondary levels, with the reform of curricula and specific attention to the evaluation of key competences. Specific measures are being developed for transversal competences (uses of ICT in education, foreign languages, Plan ‘Entrepreneurs étudiants’).

France has developed flexible pathways between the different layers, levels and sectors of the education and training system (for example between vocational schools and higher education). In line with EQF, the integration of higher education diplomas in the national qualifications framework (*Répertoire national des certifications professionnelles*) should improve the transparency of education and training supply and further the development of a learning outcomes approach in higher education. The well-developed system for the validation of informal and non-formal learning is being continuously improved.

Guidance and individualised support, which is a particular challenge in France, have been reinforced, in particular at secondary level (*parcours de découverte des métiers, entretien en troisième, orientation au lycée*) for the transition between school and higher education, and in higher education. The law on guidance and vocational training (2009) established a ‘right to lifelong guidance’ and a public guidance service.

France has a well-developed system of for the anticipation and assessment of skills needs at national level (*Centre d’analyse stratégique, Céreq*), at regional level (*Observatoires régionaux de l’emploi et de la formation*) and at sectoral level (*Observatoires des métiers*). Recent initiatives to improve skills forecasting and matching include preparatory work for the publication of a ‘panorama’ of jobs and qualifications and a special report on the transition of young people from school to work, both undertaken by the *Centre d’Analyse stratégique*. The development and review of diplomas and certifications takes into account labour market needs and involves employers. This is the case for vocational diplomas in particular, which are reviewed with the social partners (*Commissions professionnelles consultatives, Comité interprofessionnel consultatif*). Higher education diplomas are reviewed by the *Agence d’évaluation de la recherche et de l’enseignement supérieur* and by the *Commission des titres d’ingénieurs*. Partnerships between education, training and business are encouraged at all levels.

As regards adult learning, a special fund has been created to support the training of low-skilled workers and unemployed people: *Fond paritaire de sécurisation des parcours professionnels*.

6. INVESTMENT IN EDUCATION

| | France | | EU average | |
|---|--------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 6.03 % | 5.58 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

On *investment in education* as a percentage of GDP, France has been performing above the EU average, although investment rates have decreased over the last decade. In 2011, the school education budget amounts to 60.5 billion euros, which is by far the most important item of State expenditure.

At primary and secondary level, various measures have contributed to reducing expenditure: reduction of teaching posts, reductions in ancillary staff (outside teachers of foreign languages), changes in the procedure for the replacement of absent teachers, school grouping, increasing the size of classes, reduction of education provision for 2-year-old children (except in disadvantaged areas).

The government has given priority to higher education, which has largely been spared severe budget cuts and has significantly increased. Thus, in 2010, France launched a programme for investment in the future, '*Investissements d'avenir*', with €21.9bn devoted to higher education and research, including the actions '*Initiatives d'excellence*', '*Laboratoires d'excellence*', and '*Equipements d'excellence*'. The action '*Opération Campus*' addresses housing development.

7. CONCLUSIONS

While France's education and training system performs above the EU average in terms of most quantitative targets, it needs to tackle the two major bottlenecks: school failure and low adult participation in lifelong learning. Too many young people leave school early without qualifications, while too many seniors, especially those with low skills, leave the labour market early.

Current measures in the area of school education address both early school leaving and tertiary achievement, such as better monitoring of early school leavers, raising the attractiveness of vocational training and improving higher education provisions.

A more ambitious strategy is needed in the field of adult learning so as to raise the employability of the adult workforce. Additional reforms are necessary in the fields of guidance, active outreach to the disadvantaged, and in-work training.

GERMANY

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

GERMANY



| | | Germany | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 82.6% | 96.7% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 22.6% | 18.5% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 19.9% ⁰⁶ | 18.6% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 15.4% ⁰⁶ | 14.8% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 14.6% | 11.9% b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment⁴ (age 30–34) | | 25.3% | 29.8% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 6.0% ⁰³ | 7.8% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2009, ⁰⁹=2009; e = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

⁴ In the context of the Europe 2020 headline target on Tertiary or Equivalent Education Attainment (40%), Germany had an attainment rate of 33% in 2000 and 41.3% in 2010. This includes also ISCED level 4 qualifications ("post-secondary non-tertiary education") which are considered by Germany as "equivalent" to tertiary education (ISCED levels 5 and 6). ISCED level 4 attainment accounted for 11.6% of the 30-34 year-olds in 2010.

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Continued reforms to improve the quality of the education system and access to it are central for addressing emerging shortages of skilled labour in order to maintain Germany's comparative advantage in technologically advanced products and to reverse the trend of declining productivity growth, thus laying the basis for sustained employment and real income growth. In the past, educational attainment rates in Germany have improved only slowly, at both upper secondary and tertiary levels, and are today below the EU average, especially for younger cohorts. Combined with ongoing demographic change, leading to a shrinking cohort size, this might result in a shortage in the supply of medium/high-qualified labour in the medium and long terms, particularly in maths, science and technology subjects.

While early school leaving in Germany is below the EU average, it is falling fairly slowly. Socially disadvantaged groups, including young people with a migrant background, face a much higher risk of early drop-out from education and training than their peers, and their attainment rates tend to remain low, also given the traditionally short school days. Although declining, there are also still large differences in skill levels (as measured for example by the OECD's PISA studies) between pupils and the link between achievement and socio-demographic background remains strong.

Reforms to improve the lower levels of the education system, starting with better access to quality pre-school education and care, also benefit upper secondary and tertiary education and enhance vocational training outcomes. The share of low achievers and drop-outs at school level could be further reduced, e.g. by widening early language learning, better individual support for pupils at risk (including guidance, tutoring, social workers), wider provision of all-day schools, and broad measures to effectively facilitate transition from school to professional training.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

(3) Enhance participation in the labour market by improving equitable access to education and training systems and by taking further steps to reduce the high tax wedge in a budgetary neutral way and improve work incentives for persons with low income perspectives. Increase the number of fulltime childcare facilities and all-day schools.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Germany has set itself the target of reducing early school leaving to less than 10% by 2020 (and has a specific target to reduce drop-out in vocational education and training at national level). After falling slowly but continuously over several years to 11.1% in 2009, the early school leaving rate increased to 11.9% in 2010, though was still below the EU average of 14.1%. This change in the long-term trend might be explained, at least partly, by the flourishing economy combined with smaller cohorts entering the labour market and hence a shortage of young people.

The German National Reform Programme and the ET2020 national report acknowledge the need for continuous reform to improve equitable access to quality education and training as

central to addressing emerging shortages of skilled labour due to demographic change. As noted in the Staff Working Document, socially disadvantaged groups, including migrants, face a much higher risk of low achievement and drop-out from the German education and training systems.

The federal government (*Bund*) and the 16 regions (*Länder*) have agreed on a comprehensive bundle of measures and targets to tackle early school leaving, which are set out in the *Qualifizierungsinitiative*, agreed in 2008 between the *Bund* and the *Länder*, and in the strategy for better support for low-achieving pupils (agreed between the *Länder* in 2010), complemented by the national training pact (agreed between *Bund*, *Länder* and employers' associations).

Measures to combat early school leaving focus on prevention, intervention and compensation. They include early language learning for migrant children and, in line with the Recommendation on the implementation of the Integrated Guidelines, improved access to quality early childhood education and care. However, availability and quality standards, in particular staff training and child to staff ratio, vary greatly across the 16 *Länder*. Further priorities include: competence-based and individualised learning approaches; learning and career guidance; partnerships and networks between schools, the world of work and other services; support for transition and mentoring for pupils at risk; various second chance offers.

The implementation of these measures is supported by a comprehensive strategy for monitoring the education system (adopted in 2006).

While these measures clearly have the potential to reduce the risk of socially disadvantaged people, in particular migrants, dropping out of education and training and to weaken the strong structural link between educational achievement and socio-demographic background, implementation of the *Qualifizierungsinitiative* seems to lag behind and the recent negative change in the ESL rate means it will be an even more important challenge to implement these measures effectively on a large scale.

3.2. Tertiary attainment

Regarding tertiary or equivalent attainment, the German NRP has set a national target of 42% for 2020. Due to the high importance of VET for the provision of medium- to higher-skilled labour the German government has decided to include ISCED level 4 qualifications (11.4% in 2009) in their target. While in the past, the German tertiary attainment rate grew only moderately compared to the EU average, it is expected to increase at a higher pace over the coming years due to a high influx of new students. Their number increased by 22% between 2006 and 2009, and an additional 275 000 young Germans are expected to take up tertiary education between 2011 and 2015 due to the reform of general upper secondary education (shortening of duration from 3 to 2 years).

Also, the hitherto relatively low number of graduates in maths, science and technology subjects, identified as a potential bottleneck to future growth, is growing considerably, increasing in 2009 by 8.7%, which is more than twice the EU average growth rate (+3.2% in 2009, the number of MST graduates per 1000 young people, 13.5%, is now approaching the EU average, 14.3%).

Current measures to improve tertiary attainment rates are coordinated under the pact for higher education (*'Hochschulpakt 2020'*, €3.2 billion) and focus on increasing the number of study places to meet the foreseeable high demand over the coming years, facilitating pathways from VET to higher education and access for non-traditional students, and

improving the quality of teaching (*‘Qualitätspakt Lehre’*, €2 billion between 2011–20). Measures to improve the attractiveness of MST studies will be continued.

4. MOBILITY

As regards tertiary education, Germany has an outbound long-term mobility (3.5% of students per year) slightly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.0% of students in 2008/09) is also slightly above the EU average. A recent study indicates, however, that implementation of the Bologna structure has not yet led to an increase in student mobility.⁵

The government has decided to top up funds supporting student mobility until 2015 through the *‘Bologna-Mobilitätspakt’*. An important focus is on adapting mobility offers to the Bologna structure and reducing obstacles to mobility, including through better recognition of learning outcomes (implementation of the *‘Lisbon Convention’*) and through provision of guidance on mobility (all higher education institutions now have an ‘international office’).

The government also supports transnational cooperation by higher education institutions with partner institutions, joint study programmes, and actions to promote the incoming and outgoing mobility of students with high potential.

In the area of VET, learning mobility under the LLP had 9600 participants in 2010, or 0.7% of all VET students, above the EU average (0.5%). Over a three-year VET period, this implies a participation rate of about 2%. However, a study commissioned by the German government provides evidence that total mobility in initial VET (including mobility supported by Leonardo da Vinci and all other sources, including private sources) is higher (around 3% between 2007 and 2009). To further increase VET mobility, the government increased the national contribution to LLP funding (Leonard da Vinci) from €800 000 to €3 m in 2010. Furthermore, bilateral cooperation and exchange programmes support transnational mobility and cross-regional training schemes. Since 2005 the law on vocational training has allowed VET students to undertake parts of their training abroad.

At school level, Germany contributed €18 m to the implementation of LLP Comenius actions in 2010. Mobility actions for pupils and teachers are complemented by programmes for school partnerships and the internationalisation of schools (€6.6 m in 2010). Information and counselling are seen as important tools to increase mobility at school level.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Due to the division of competences between different government levels, Germany has no fully coherent and comprehensive lifelong learning strategy in place. However, it has been shifting the focus of education and training policy increasingly towards a lifelong learning approach. The federal government’s strategy paper on learning across the life cycle (*‘Konzeption Lernen im Lebenslauf’*), together with the qualifications initiative (*‘Qualifizierungsinitiative’*) agreed in 2008 between *Bund* and *Länder*, aim to improve the general skill levels of the population from a lifelong learning perspective. More equitable access to quality education from an early age, flexible pathways, and lifetime provision of skills and competences are the main principles of these initiatives, underpinned by benchmarks until 2015. The various measures will be implemented in accordance with the division of competences between the different government levels.

⁵ See *Forschung & Lehre*, issue 09/11.

Germany is at an advanced stage in developing its national qualifications framework (DQR) and plans to reference it to the EQF in 2012. Linked to this, the pilot project DECVET is to trial a credit transfer system in line with ECVET. Within DEQA-VET, the national partner of ENQA-VET, Germany has developed a programme for interlinking and improving the relevance of the numerous regional initiatives to support people in completing their vocational training (*'Perspektive Berufsabschluss'*). There is also a focus on improving the quality and relevance of the transition between school education and initial vocational training, including through the programme *'Jobstarter Connect'*

Germany pays significant attention to the anticipation of skills needs. For example, the *'FreQueNz'* network synthesises and disseminates nationwide the results of individual anticipation projects. The regional labour market monitor, established in 2010, also includes data on education and training. The results of skills forecasting are regularly fed back into curricular reform: in particular in the area of dual VET, an institutionalised adaptation procedure, closely involving the social partners, guarantees the continuous updating and relevance of curricula.

These ongoing initiatives are important steps in gradually overcoming the segmentation of the German LLL system, including through better coordination between the *Länder*, which have virtually full responsibility for education and training, but also between sub-systems (e.g. VET and higher education) and across sectors (in particular employment, youth, social affairs). They also demonstrate a broader awareness of the importance of lifelong learning in the face of growing skills shortages and social disparities.

6. INVESTMENT IN EDUCATION

| | Germany | | EU average | |
|---------------------------------------|---------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 4.46 % | 4.55 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Public investment in education as a percentage of GDP changed only slightly in Germany between 2000 and 2008, in line with the slight increase at EU level. The gap between German performance and the EU average has therefore remained stable.

During the crisis, total public spending on education and training in Germany increased from €93.4 billion in 2008 to €98.9 billion in 2009 and further to €102.8 billion in 2010. Acknowledging the key role of education and training for future growth, the federal government decided in 2009 to invest an additional sum of €6 billion in education and training over the years 2010–13. Also, investment at *Länder* level increased considerably between 2009 and 2010 (+ 4.9%). Moreover, around €4.6 billion available for the ESF programming period 2007–13 are being spent on the qualifications of young people, the unemployed and workers.

In addition, the economic recovery programmes of the federal government for 2008/2009 included investment in local infrastructure (€8.67 billion), with the focus on the modernisation of educational infrastructure.

Fully in line with the Annual Growth Survey and the Conclusions of the Spring European Council, Germany has — even in times of crisis — substantially increased investment in education and training as a growth-friendly measure.


7. CONCLUSIONS

With a view to addressing emerging shortages of skilled labour and supporting equitable access to education and training, Germany is in particular taking measures to tackle early school leaving, including through improved access to quality early childhood education and care, and measures to increase the capacity and quality of the tertiary sector, both supported by substantial additional investment. With the impact of demographic change becoming visible on labour markets, it will be important to implement these measures effectively on a large scale. Therefore, the implementation of the strategic commitments between federal level and Länder governments under the *Qualifizierungsinitiative* should be sped up.

GREECE

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| GREECE  | | Greece | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 69.3% | 68.2% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 24.4% | 21.3% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 32.3% ⁰⁶ | 30.3% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 24.0% ⁰⁶ | 25.3% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 18.2% | 13.7% b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 25.4% | 28.4% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 2.6% ⁰³ | 3.0% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009 e= estimate, b = break, p = provisional, PISA: reading: 18 EU countries, maths and science: 25 EU countries, MST: growth 2004–2008' EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

The fifth update (December 2011) of the Memorandum of Understanding between the European Commission and the Hellenic Republic includes the following section on education:

To upgrade the education system

]

Government prepares, and starts implementing, an action plan for the improvement of the effectiveness and efficiency of the education system taking into account the measures recommended by the independent taskforce's report. [end-October 2011]

Based on the recommendations of the blueprint and the action plan, the existing legal/institutional framework for primary, secondary and tertiary education will be amended with a view to increasing the efficiency and effectiveness of the education system. The Government starts publishing a bi-annual progress report on the implementation of the law on quality assurance in Higher Education. [Q4-2011]

The new tertiary education framework law, aimed at reducing excessive costs and at improving its overall efficiency and effectiveness, is implemented. [Q2-2012].

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

As regards early school leavers, Greece performs slightly better than the EU average and has made progress since 2000.

The Europe 2020 national target set by Greece for early school leaving is 9.7%.

Greece has pursued efforts to further reduce early school leaving and improve the provision of basic skills. Under the National Strategic Framework in the field of education, where school education is central, the Ministry of Education and Lifelong Learning launched a national action plan in March 2010 under the title 'The new school' in order to promote reform in the field of school education.

Strengthening the provision of early childhood education and care and raising its quality, which can contribute substantially to preventing early school leaving, remains a key challenge. Greece has the lowest level of pre-school education in the EU after Poland and there are no data on 0–5 year-olds. Currently, demand far exceeds provision.

A pilot scheme of Education Priority Zones was introduced in some socio-economically disadvantaged areas in the school year 2010–2011. Its aims include addressing early school leaving and raising participation in tertiary education. The scheme provides stronger pre-primary, all-day primary and remedial ISCED2 provision. This initiative seems to be a promising project, which could be extended in the future to other priority areas.

While the number of all-day primary schools in urban areas is increasing (from 800 to 961), all-day provision in more remote areas is low. There is concern that this may create inequalities in the quality of provision and in educational outcomes. The government's initial (2009) plan to turn all primary schools into all-day schools by 2013 and to support this with adequate numbers of specialist teachers currently seems difficult to attain.

Another challenge is the need to provide learning support within schools to those who need it. This would help reduce the number of early school leavers and low achievers, and would also help reduce demand for private supplementary tutoring.

Monitoring will be an important element for ensuring the effectiveness of the measures aimed at tackling early school leaving.

In July 2011, the international independent task force set up by the Greek government for education policy under the Memorandum of Understanding submitted proposals to improve the efficiency of both compulsory and tertiary education in Greece.⁶

3.2. Tertiary attainment

The share of young adults with tertiary education attainment has grown only moderately since 2000 and was below the EU average in 2010.

The national target set by Greece for 2020 is to increase tertiary attainment to 32% from the current level of 28.4%.

A reduction rather than an increase in the number of tertiary students was noted for the academic year 2011–2012, with 10250 fewer students than in 2010. The 2020 attainment target may therefore constitute a major challenge.

The effort to raise participation in tertiary education towards the national target will need to include measures to promote the participation and success of under-represented, disadvantaged and non-traditional learners.

One area in which Greece has made significant progress is in the number of MST graduates, with at present the highest number of women with an MST degree in the whole of the EU.

The government is currently undertaking structural reform of tertiary education. An international independent task force set up by the Greek government for higher education has supported this process with proposals. The new national strategy is focused around the following pillars:

- a new management approach, greater autonomy for higher education institutions and an enhanced culture of evaluation;
- reorganisation of learning procedures and curricula in order to promote mobility and interdisciplinarity;
- promotion of the international dimension of higher education institutions;
- redeployment of institutions to better serve regional development and labour market needs.

4. MOBILITY

As regards higher education, Greece has an outbound long-term mobility (5.2% of students per year) which is above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.5% of students in 2008/09) is below the EU average. The EU Lifelong Learning Programme (LLP) is one of the most important tools for learning mobility.

⁶ OECD, *Strong Performers and Successful Reformers in Education: Education Policy Advice for Greece*, 2011.

In the recent past, steps have been taken to promote outgoing and incoming learning mobility at all education levels in Greece.

Law 3879/2010 ‘Development of lifelong learning and other provisions’, in force since September 2010, places emphasis on the recognition and accreditation of all types and levels of formal, informal and non-formal learning, which could increase mobility.

Curricular reform in upper-secondary education has put much emphasis on the teaching of foreign languages, with the introduction of a State certificate of foreign language competence that might support participation in learning mobility.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

The country’s new national Lifelong Learning Strategy announced in February 2011 is currently being implemented with the aim of providing more and better learning opportunities for adults and non-traditional learners. It is an adult education plan with two strands: initial and continuing training for the labour market; and general adult education.

The plan, however, is not an overarching strategic vision for learning within the meaning of a ‘coherent and comprehensive LLL strategy’. The self-imposed national target is to reach 6% of adult participation in LLL by 2013. To this end, a € 140m adult education programme for 400 000 citizens was due to start in September 2011. As regards adult participation in lifelong learning, at present Greece has a very low performance, which has only slightly increased since 2000.

It is relevant to mention that the recent higher education reform will also enable universities to provide lifelong learning opportunities to local and regional populations.

The third reform of initial VET (iVET) in a decade is currently in progress, aiming to improve the quality and attractiveness of VET and its relevance to the needs of the labour market, and to create more flexible pathways between general and vocational tracks and pathways from iVET into further learning and higher education. Improving the quality of school VET will help to achieve the EU2020 national targets for education and training. The reform recognises the need for intensified intervention to broaden the target groups and improve the attractiveness, accessibility and quality of provision.

Ensuring the quality and functionality of VET infrastructures will also be a challenge for the Greek authorities.

6. INVESTMENT IN EDUCATION

| | Greece | | EU average | |
|---|--------|---------------------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 3.39% | 4.04% ⁰⁵ | 4.88% | 5.07% |

Source: Eurostat (UOE)

⁰⁵= 2005

Already before the current crisis, public investment in education and training in Greece was one of the lowest in the EU. In early 2011, it further decreased to 2.75% of GDP. As further cuts have been implemented more recently in response to the budgetary crisis, investment is

now significantly lower than in previous years. At the same time, private household expenditure on education services (especially for private supplementary tutoring on core subjects) continues to be very strong. In Greece, tutoring was estimated in 2008 to cost €952.6 million, according to a recent study.⁷

Due to the present general economic situation, Greece has recently drastically reduced teacher recruitment and made significant cuts in salaries and pensions in the education sector. It has also put in place a scheme of school mergers affecting more than 20% of education institutions.

As set out in the MoU, an independent task force of education policy experts, jointly set up by the Greek administration and the OECD, is now delivering policy guidance to help Greece improve the overall efficiency of its education system.

In parallel, Greece has decided to promote more efficient use of the scarce resources available, as the protection of public investment in education and training is considered to be crucial to support both short-term recovery and long-term sustainable growth, in line with the recommendations made by the European Council and the European Commission following the 2011 European Semester.

In the current context, ‘smart spending’ includes taking full advantage of the European Structural Funds, which could underpin education reforms and also finance educational infrastructure.

7. CONCLUSIONS


Greece needs to continue to reform both compulsory and tertiary education within a context of budgetary austerity, in line with the Memorandum of Understanding. Here, the possibilities offered by the European Structural Funds need to be used to the maximum to ensure effective delivery of the necessary reforms.

⁷ European Commission (2011), *The Challenge of Shadow Education: private tutoring and its implications for policy makers in the European Union*; a study submitted to the European Commission by the NESSE network of experts: <http://www.nesse.fr/nesse/activities/reports>.

HUNGARY

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| HUNGARY  | | Hungary | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 93.9 % | 94.8% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 22.7 % | 17.6% ⁰⁹ | 21.3 % | 20.0% ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | 21.2% ⁰⁶ | 22.3% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15 % |
| | Science | 15.0% ⁰⁶ | 14.1% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 13.9 % | 10.5 % b | 16.0 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 14.8 % | 25.7 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 4.5 % ⁰³ | 2.8 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Hungary is one of two countries where stimulus measures have not been implemented in the education sector. Public investment in higher education is low, as is the tertiary attainment rate (in 2009: HU: 23.9%, EU average: 32.3%). The number of students entering higher education is high (69% in the age group 20–24), but they take a long time to graduate and many do not reach graduation. Budgetary planning is likely to remain a constraint under the ongoing fiscal consolidation programme. Consequently, part of the financing could come from adequate absorption of EU funds (ESF funds were also drawn on during the crisis), although budgetary planning may also have to compensate for the additional financing needs of this sector with savings in other areas.

The planned higher education reform seeks to strengthen the link between higher education output and the needs of the labour market. At overall European level, Hungary has the lowest participation in vocational education and training. The country has already introduced measures to modernise its vocational education and training (VET) system, including the more structured involvement of chambers of commerce in redesigning features of the system. The performance of educators may be unfavourably influenced by the relatively low prestige and rewards of the teaching profession. Research universities are also lacking, and the corporate sector does not play a significant role in financing. Furthermore, there is currently no independent quality measuring system in place to provide a basis for improving the link between financing and performance.

Although the percentage of early school leavers (at 11.7% in 2008) is below the EU average, the number of unemployed and inactive early school leavers is high in Hungary compared with other Member States. In addition, according to the PISA 2009 study, the Hungarian education system shows a particularly strong relationship between the socio-economic background of pupils and their performance at school. Home and family background, as well as the size of locality, have a large influence on the performance of school children. Hungary is targeting a further reduction in early school leaving to 10% by 2020, in line with the proposed EU-wide target.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

The National Reform Programme of April 2011 identifies better adjustment of the education system to labour market needs as the main priority of the Hungarian government in the field of education in the period up to 2020. The better acquisition of basic skills by all learners, including disadvantaged groups, and the restructuring of the vocational education and training system are high on the agenda in the area of school education.

As stated in the outcome of the European Semester, while Hungary performs better than the EU average in tackling early school leaving, this represents a major challenge at the level of the labour market: early school leavers in Hungary are twice as likely to become unemployed or inactive as in the EU as a whole.

In addition, although Hungary succeeded in reducing the number of early school leavers in the last decade (from 13.9% in 2000 to 10.5% in 2010), progress has stalled over the last few years. Future demographic developments, including an increase in the number of

disadvantaged pupils, may pose additional challenges in the years to come. This might explain why Hungary's early school leaving target is 10% by 2020.

In order to reduce the drop-out rate, the Hungarian education system is trying to fight social disadvantages through preventive measures such as early development of small children (obligatory admission of multiply disadvantaged children to kindergarten, support for kindergarten education), and by identifying at-risk groups and pupils with special educational needs (disadvantaged and multiply disadvantaged children/pupils). There are also programmes to promote successful school careers for disadvantaged groups ('Útravaló' scholarship programme, Arany János Talent Care Programme for Disadvantaged Pupils, Tanoda Programme with individualised teaching and learning in an informal environment). The inclusive pedagogical system and strengthening of the vocational education and training system contribute to the prevention of early school leaving. The programmes 'Second Chance secondary school programme' and 'One Step Forward' are designed as compensation measures for drop-outs who wish to continue their studies, the latter supporting the acquisition of vocational qualifications.

In order to improve the quality and effectiveness of education, the National Curriculum has been aligned with the key competences defined by the EU Recommendation on Key Competences. Between 2009 and 2011 the emphasis of the programme shifted towards the extensive training of teachers. A further measure to improve the effectiveness and quality of school education was the introduction of nationwide student competence assessment in reading and mathematical literacy, obligatory for each student in grades 6, 8 and 10.

While all these measures are consistent with the challenges identified in the European Semester, preventive measures seem to be the most appropriate to reduce early school leaving, particularly among disadvantaged groups. These measures need to be combined with improved possibilities for early school leavers to re-enter mainstream education.

3.2. Tertiary attainment

While the Hungarian tertiary education system has undergone several reforms in recent years, further efforts are needed to increase both its cost-effectiveness and efficiency and its labour market relevance. As pinpointed in the outcome of the European Semester, the planned higher education reform provides an opportunity to meet this dual challenge.

Hungary shows a low tertiary attainment rate (25.7% in 2010), which is well below the EU average (33.6% in 2010). At the same time, Hungary has a low investment rate in higher education. The level of public expenditure in higher education as a proportion of GDP is lower than the EU average (1.02% in Hungary vs. 1.14% EU average in 2008). Nevertheless, the number of students entering higher education has grown significantly in the last 10 years, even though the demographic trends show a decline since 2004. With regard to graduates in maths, science and technology, the increase in their number has been higher than the EU benchmark and progress has been similar to that of the EU as a whole. As far as female participation is concerned, progress has been even faster than the EU average. In order to further increase the number of graduates in maths, science and technology, the government has increased the number of study places in these subjects and is encouraging students to take secondary school-leaving exams in science.

Upon admission to tertiary education, preference is given to applicants from disadvantaged backgrounds, those with disabilities and those who are on unpaid leave from work for childcare. Today, 69 % of upper secondary graduates from ISCED 3A programmes enter directly higher education, which is one third of the 20-24-year-old population, and about 40

per cent graduate in time. Therefore, and in light of the national target of 30.3% for tertiary attainment by 2020, the biggest challenge in tertiary education remains the reduction of high drop-out rates and also long graduation times. In addition, further measures will need to be implemented to reduce the number of graduates who do not receive their diploma upon graduation as they cannot prove their foreign language knowledge (in 2010, 23% of all students in the full-time studies concerned).

The diversification of the institutional training structure (higher vocational training, bachelor programmes, master's programmes, undivided programmes, PhD training, postgraduate study programmes, in-service training courses, courses aimed at acquiring partial skills) enhances the higher education supply, improves the system's responsiveness to the needs of the labour market and provides opportunities for learners to join or return to tertiary education. Furthermore, a major project to validate former qualifications is currently under implementation. Higher education institutions are also legally obliged to provide support for talented students and for disadvantaged students (scientific circle activities, mentoring, career counselling).

4. MOBILITY

As regards tertiary education, Hungary has an outbound long-term mobility (1.8% of students per year) clearly below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.9% of students in 2008/09) is near the EU average.

In both 2009 and 2010, the Lifelong Learning Programme was the largest source of financing in Hungary for both incoming and outgoing mobility.

A national programme, based on the model of the Leonardo Programme, has supported 42 projects for the foreign professional placement of vocational pupils. As a result of the initiative, 584 students obtained a professional placement abroad in 2009 and in 2010. This initiative has served to further the practical training, foreign language skills and labour market chances of students who are — for the most part — from a disadvantaged background.

Hungary participates in the CEEPUS programme (Central European Exchange Programme for University Studies), but as a result of the financial crisis, was forced to reduce the number of months offered to partner countries for receiving students and teachers.

The scholarships of the Hungarian Scholarship Committee (financed by the Hungarian state budget) enable 500–700 students to study abroad every year. The scholarships provided under bilateral agreements and educational work plans allow participation in partial and postgraduate studies, foreign research institutions, workshops and artistic activities.

The European Social Fund has supported the institutional developments needed at universities to enhance their international competitiveness and to attract foreign students. Preparing materials in foreign languages is an obligatory part of the projects for training and curriculum development. This is promoted by a subsidy granted to tertiary education institutions, among other things, for curriculum development in foreign languages. Around 60–70 courses in foreign languages are offered by institutions. The number of international students in Hungary has been steadily increasing over the past few years. The number of international students in study programmes provided in a foreign language will definitely grow, while the number of international students participating in study programmes in Hungarian will not change significantly.

By law, higher education institutions must set aside funds from the statutory grant they receive from the state to support their students in completing part of their studies abroad.

Students taking part in full-time degree programmes may obtain a student loan for their subsistence abroad. The three-year agreements with tertiary institutions — connected to their budgetary support — encourage the reception of international students and the creation of the necessary conditions. 24 out of 28 state-owned tertiary institutions had increased mobility of incoming and outgoing students included among the target indicators of these three-year agreements. More and more institutions are initiating joint study programmes through accreditation of a common study programme for Hungarian and foreign universities.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Hungary adopted its Lifelong Learning Strategy in 2005. The strategy covers all levels of education, although its primary focus is on the formal sector. The strategy builds upon existing national and international knowledge and integrates the relevant EU policy concepts. Its priorities are in line with those laid down in the framework strategy for education and training 2020. The Hungarian Parliament reports on the implementation of the strategy every two years (2007, 2009, 2011, 2013). Although the strategy as such does not have an assigned budget, over the past five years the implementation of the strategy has been supported through programmes financed from the European Social Fund.

The establishment of the National Qualifications Framework (NQF) is ongoing. Following a study on European practices in the field of qualifications frameworks, an Expert Working Group has started to prepare a proposal regarding a legal and institutional framework for the NQF, which is expected to be adopted in 2011.

Adult participation in lifelong learning in Hungary is one of the lowest in the EU, and the country's performance has not improved since 2003. The benchmark indicator, which measures the frequency of participation, is now less than one third of the EU average. To remedy the situation, recent legal changes enable adult education providers to offer courses in an easier and more flexible manner. This simplification aims to contribute to expanding the educational services provided by public cultural institutions and thus reduce the inequality of learning opportunities, especially in disadvantaged regions and towns. In addition, the amount that small and medium-sized enterprises can set aside to train their own workers instead of paying their obligatory vocational contribution has been doubled. This should lead an increase in the participation of adults in training courses. In the last two years, the number of participants in adult education has grown (by 8% from 2008 to 2009 and by 25% from 2009 to 2010), but this is probably because in the reference period adult education institutions complied better with registration requirements. On the employers' side, the amount of the vocational training tax reduction available for training their own employees has remained more or less the same in gross terms as in the previous years. The main measures taken to recover from the economic crisis targeted the promotion of adult education and training. The so-called 4+1 ('Four days of work, one day of learning') programme was launched with co-financing by the European Social Fund and attracted around 12 000 participants.

Various measures have been implemented in the area of vocational education and training and higher education to improve the assessment of future skills and skills forecasting. The Regional Development and Training Committees determine for the regional integrated vocational training centres — and thus indirectly for the vocational schools operating under them — the orientation and extent of vocational training provided as full-time education, decide on the development subsidies for a given region, make suggestions as to what qualifications are to be classified as shortage qualifications and identify the qualifications demanded by the regional economy. In order to facilitate vocational education and training, financial incentives have targeted mainly students with a student contract and trainer

companies. There is an ongoing project, financed by the European Social Fund, with the aim of providing decision-makers with mid- and long-term labour market forecasts based on mathematical-statistical models. The forecasts will be available from 2013.

In the area of higher education, current law requires all higher education institutions to monitor graduates' career paths. A standard career monitoring system is being established and the implementation of institutional career monitoring systems is being funded by the European Social Fund. One of the functions of career monitoring is to provide feedback about the competences needed by the economy and to inform higher education institutions of these requirements. The Hungarian Chamber of Commerce and Industry conducts regular surveys among companies on how higher education graduates succeed at the workplace. Labour market needs are addressed by an advisory body, the Higher Education and Research Council, which continuously examines the relations between the labour market and higher education in its forums. In higher education institutions, the management financial council has an indicator function to call attention to economic and social needs, especially in preparatory work for decisions on development.

6. INVESTMENT IN EDUCATION

| | Hungary | | EU average | |
|---------------------------------------|---------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 4.42 % | 5.10 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Public investment in education, as a percentage of GDP, grew significantly between 2000 and 2008, whereas in the EU as a whole it increased only slightly. As a result, Hungary is now just above the EU average performance.

Since 2006, the total amount of statutory grants and grants provided from the central budget for school education tasks has been continuously declining, and in 2010 was only 80% of the 2006 figure. Due to the recession, additional reductions in spending were required in both 2010 and 2011, when budget expenditure was blocked. The net reduction in state contributions and grants for school education (falling from HUF 410.4 billion in 2010 to HUF 404.2 billion in 2011) resulted from the decrease in the number of children and students and the increase in the number of users of education-related services (increased number of beneficiaries of free or subsidised meals). New projects have only been implemented using EU grants and domestic co-financing, and the existing development plans have been reviewed.

The economic crisis beginning in the second half of 2008 did not affect the statutory grants provided from the national budget to school-based vocational training (at least at their nominal value). However, local governmental contributions were reduced, teachers' wages were frozen, the 13th-month salary was terminated, and that part of the allocation for education and training within the Labour Market Fund available to the minister responsible for education was entirely withdrawn. As a result, the sector is facing stricter financial conditions. Since 2007 the budget available for vocational catch-up training for those who have not completed primary education has been decreasing.

In the period from 2008 to 2010 state grants provided to higher education institutions fell by 10–11% in real terms. However, within this sum, the amount of student and social assistance

did not change. For several years, budgetary support for tertiary education has remained unchanged at around 1 % of GDP.

While certain budgetary consolidations have proved necessary in line with the country's convergence programme, it is crucial that all further changes in the education budget and their impact be closely monitored.

7. CONCLUSIONS


The main policy challenge for Hungary remains to reduce the disparities between the composition and structure of the human capital trained in the education system and the demands of the labour market. The planned reform of higher education already seeks to improve the responsiveness of the system to the needs of the economy. In addition, recent measures implemented to modernise the vocational education and training system, including an enhanced role for the chambers of commerce, are also steps in this direction. However, continuous low participation of adults in lifelong learning, which is also reflected in the low occupational mobility of the work force, hampers competitiveness and contributes to low adaptation to change. Disadvantaged groups should receive increased attention early on in the education system to avoid them leaving school early and becoming unemployed or inactive later on as a result.

While the budgetary situation in Hungary remains challenging, all efforts need to be made not only to increase cost-effectiveness but also to secure an adequate level of financing in education and training.

IRELAND

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| IRELAND  | | Ireland | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 75.0% | 73.4% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 11.0% | 17.2% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 16.4% ⁰⁶ | 20.8% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 15.5% ⁰⁶ | 15.2% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 14.6% ⁰² | 10.5% ^b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 27.5% | 49.9% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 5.9% ⁰³ | 6.7% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009 e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recital (7)

On 7 December 2010, the Council adopted Implementing Decision 2011/77/EU on granting Union financial assistance to Ireland for a period of three years under the provisions of the Treaty and Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism. The accompanying Memorandum of Understanding signed on 16 December 2010 and its first update lay down the economic policy conditions on the basis of which the financial assistance is granted. Implementing Decision 2011/77/EU was amended by Implementing Decision 2011/326/EU. The first update of the Memorandum of Understanding was signed on 18 May 2011.

Recommendation

Implement the measures laid down in Implementing Decision 2011/77/EU, as amended by Implementing Decision 2011/326/EU, and further specified in the Memorandum of Understanding of 16 December 2010 and its update of 18 May 2011.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Ireland's early school leaving rate of 10.5% is almost 4% lower than the EU average and is nearly at the EU benchmark of 10%. Ireland's proposed Europe 2020 target for ESL is 8%. This target is attainable in accordance with the current trend. Some of the success in reducing ESL can be attributed to DEIS (Delivering Equality of Opportunity in Schools), a national action plan for educational inclusion, which focuses on the needs of 3 to 18 year-olds from disadvantaged communities. It has 875 participating schools, some 22% of all schools in Ireland. DEIS adopts an integrated approach with **early intervention** as the core principle and enhancing attendance, progression, retention and attainment as central aspects. Among the key issues and needs addressed by DEIS are:

- improved identification of disadvantage, enabling resources to be targeted more effectively;
- targeted reductions in pupil-teacher ratios and additional non-pay allocations for schools based on level of disadvantage;
- access to additional literacy/numeracy support and programmes;
- access to Home/School/Community Liaison and School Completion Programme (SCP) services;
- enhancing research and evaluation of outcomes.

An evaluation of DEIS by the independent Educational Research Centre is underway.

In order to proactively **prevent ESL** the introduction in January 2010 of the Universal Free Preschool Year in Early Childhood Care and Education (ECCE) Scheme is a major development in the area of early childhood education and care. By September 2010, 63 000 children, or 94% of the eligible child cohort, were taking part in the scheme. The Early Start programme is a pre-school programme for 3 and 4 year-olds which offers one year of pre-school (meeting the ISCED Level 0 classification) to children in designated areas of disadvantage. The programme, which can cater for 1 650 children, aims to provide children

who are most at risk of educational disadvantage with an educational programme that will enhance their development and prevent failure at school.

To **compensate** for early school leaving, Ireland implements the Youthreach programme targeting young people aged between 15 and 20 who leave school early without any qualifications. The programme provides two years of integrated education, training and work experience, with a strong emphasis on personal development. Basic skills training, practical work training and general education are the key features of the programme, and the application of new technologies is integrated within all aspects of the programme content. With 6000 places available nationwide under the programme in 2010, Youthreach achieved an overall progression rate of approximately 65% to employment or further education and training.

Ireland also implements a range of further education and training programmes, the objectives of which include the provision of second chance education for people who did not complete secondary level. For example, the Back to Education Initiative (BTEI) programme is a part-time initiative for learners who wish to pursue part-time or modular programmes. Under the BTEI a programme may be offered for as little as 1 hour per week or as much as 17 hours per week, depending on the needs and demands of the prospective learners. BTEI offers free tuition to anyone over 16 years of age with less than upper second-level education, and aims to give adults an opportunity to combine their return to learning with family, work and other responsibilities. BTEI had 28 000 participants in 2010.

As regards **low achievers**, the PISA study results show a significant deterioration in reading performance between 2000 and 2009, a similar trend as regards mathematics between 2006 and 2009, and a stable performance in science between 2006 and 2009 (with 15.5% low achievers in science in 2006 and 15.2% in 2009).

The rollout in 2011 of a new plan to improve literacy and numeracy teaching and learning in Ireland's schools, will help address this situation in addition to contributing to achieving the national early school leaving target. The National Strategy to Improve Literacy and Numeracy among Children and Young People is designed to improve literacy and numeracy outcomes in response to both recent PISA results and reports indicating that standards in these areas were deteriorating. The Strategy has implications for teacher training in the broadest sense, for curriculum reform more generally, and for the use of assessment in schools and more broadly within the educational system. It proposes very significant improvements to teacher education. It calls for initial teacher education courses for primary teachers to move to a four-year degree, with substantial school-based time and an increase in literacy and numeracy modules (and other pedagogical courses), at the expense of the humanities subjects which the bulk of student teachers take to degree level. Teacher education courses for the majority of secondary teachers will move from one- to two-year post-degree courses with a greater proportion of teachers studying concurrent degree programmes (i.e. programmes in which students undertake academic subjects and pedagogical studies).

Another initiative in this area is Project Maths, a major programme for reform in mathematics. It began in all second-level schools at both junior and senior cycles in September 2010, building on the experience of 24 schools that began the programme in 2008. Project Maths is designed to encourage better understanding of mathematics, to reinforce its practical relevance to everyday life and to ensure better curriculum continuity across the system. It is supported by comprehensive investment in the professional development of teachers, which will continue until at least 2013.

3.2. Tertiary attainment

Ireland has already achieved a high tertiary attainment rate for 30–34 year-olds (49.9% in 2010) as the participation rates of both secondary education graduates and adult entrants have been increasing steadily over the last decade. Using the related National Skills Strategy targets as a basis, Ireland's proposed 2020 target figure for tertiary attainment is 60%. In addition, Ireland has set itself the target of 48% of the labour force (i.e. the population in the age range 25–64) with tertiary attainment by 2020.

In general terms Ireland performs relatively well, and clearly above EU average, when it comes to Mathematics, Science and Technology (MST) graduates per 1.000 young people. However, as regards MST graduates from higher education, their number has decreased by 13.6% during the period from 2000 to 2009. At the same time the share of female graduates has also decreased from 37.9% in 2000 to 30.7% in 2009.

In the future it is expected that the recent increase in the enrolment figures of new entrants will lead to a growth in the number of MST graduates.

The National Strategy for Higher Education to 2030 was published in early January 2011 and provides a framework for the development of the higher education sector for the next twenty years. The recommendations of the Strategy aim to increase the quality and flexibility of the system to ensure that it is responsive to the needs of an increasingly diverse cohort of students.

Ireland's National Plan for Equity of Access to Higher Education 2008–2013 establishes a number of benchmarks and actions to increase access by under-represented groups, particularly disadvantaged students, mature students and students with disabilities. The plan also recognises the importance of further education in providing the relevant skills to enable learners to access higher education. A mid-term review of the Plan was being finalised at the time of writing. In addition, the administration of student grant schemes for tertiary education is currently undergoing a radical restructuring, under the Student Support Act, which was signed into law in February 2011.

The core funding of higher education institutions in Ireland is being developed to incentivise lifelong learning policy and practice. From 2010, the annual budget of all publicly funded institutions includes a 'core access grant' calculated on the basis of a weighting of 33%, linked to the number of 'access students' enrolled in each institution, including numbers of mature/lifelong learners. The proportion of full-time entrants who engage in tertiary education as mature students in Ireland increased from 9% in 2004 to 14% in the 2009/10 academic year. They should comprise 20% of all full-time entrants by 2013.

4. MOBILITY

As regards tertiary education, Ireland has an outbound long-term mobility (17.7% of students per year) much higher than the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.8% of students in 2008/09) is near the EU average.

Investing in Global Relationships: Ireland's international education strategy 2010–2015 (published in September 2010) places significant emphasis on learning mobility, particularly within staff and student cohorts in the higher education system. Among other things, this strategy considers the barriers to enhanced mobility, and makes recommendations to education institutions to overcome these barriers.

The strategy recommends the introduction of international strategies for higher education institutions to set out an internationalisation vision and targets for each institution. This will

include the mobility of learners and staff (e.g. through building mobility windows into academic programmes).

The strategy also recommends reform of a (modestly funded) existing scholarship programme to promote inward and outward mobility, and active consideration is being given to this recommendation.

The High Level Group on International Education, which draws together representatives from government departments, state agencies and the education sector and reports to the Minister for Education and Skills, meets on a quarterly basis.

The Annual Erasmus Lecture, information dissemination (including the Eurolink newsletter), ‘valorisation’ and networking seminars/events, which apply equally to students and education professionals, along with Erasmus Staff Ambassadors, are designed to promote mobility in higher education.

Several national and regional information meetings are held each year to promote the Lifelong Learning Programme in general and specific sub-programmes (Comenius for schools, Leonardo da Vinci for VET and Grundtvig for adults). Topics covered include the opportunities for teachers, school principals, trainers, training centre managers, guidance counsellors, human resource specialists and other VET professionals to benefit from learning mobility actions.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Although there is no overarching strategy document, publication of the White Paper on adult education, *Learning for Life*, in 2000 marked the adoption of lifelong learning as a governing principle of education and training policy in Ireland. The introduction of the National Framework of Qualifications in 2003 has made it easier for learners to understand how the education system works and how one award can lead on to another. It helps the learner map out the route that their education will take and clarifies for prospective employers that the NFQ is a system of 10 levels ranging from basic education at level 1 to doctorate level at level 10.

The Expert Group on Future Skills Needs (EGFSN) advises the Irish government on the current and future skills needs of the economy and on other labour market issues that impact on Ireland’s enterprise and employment growth. It has a central role in ensuring that labour market needs for skilled workers are anticipated and met. Since 2009 the Expert Group has completed analysis of future skills requirements in some key exporting sectors of the economy — the BioPharmaChemical sector, Enterprises in 6 sub-sectors of the Green Economy (Nov 2010), ICT skills updates to meet recent developments (May 2011), the Food & Beverages sector (Nov 2009) and the key locally traded sector Wholesale & Retail.

The National Skills Strategy was prepared by the EGFSN in 2007. It identifies Ireland’s current skills profile, provides a strategic vision and specific objectives for Ireland’s future skills requirements, and a road map for how the vision and objectives for 2020 can be achieved. The Strategy sets out clear long-term objectives for the education and training requirements needed to develop Ireland as a knowledge-based, innovation-driven, participative and inclusive economy with a highly skilled workforce by 2020. An additional 500 000 individuals within the workforce will need to be upskilled and to progress by at least one NFQ level over and above their current level of education and training. A report update of March 2010 concluded that significant progress had been made towards meeting the objectives set out in the National Skills Strategy. The most significant challenge for the period to 2020 is upskilling those at NFQ Levels 1–3 to NFQ Levels 4 & 5.

The Department and the National Council for Curriculum and Assessment (NCCA) engage on an ongoing basis with the EFGSN and other industry and social partner interests on curriculum reform.

6. INVESTMENT IN EDUCATION

| | Ireland | | EU average | |
|---------------------------------------|---------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 4.28 % | 5.62 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Public investment in education as a percentage of GDP has increased significantly in Ireland since 2000 within a context of strong economic growth during the period 2000–2008, implying strong growth of spending in absolute terms.

In the economically challenging period since 2009, while the government has sought to protect education expenditure from both current and capital saving measures across departments, it has nevertheless been necessary to implement significant savings across the education sector. The budgets of 2009 and 2010 identified savings of €150m (€256m, or about 3% of current expenditure, in a full year) and €96m (€163m, or about 2% of current expenditure, in a full year), respectively. A number of measures introduced in 2009 were subsequently moderated or reversed as a result of commitments made in the October 2009 Renewed Programme for Government.

The budget of 2011 provides for further current expenditure savings of some €175m (€320 million annually or some 3.5% of current expenditure by 2014) to be secured across the education sector. This €175m is broken down into €74m in pay and €101m in non-pay savings (€181m pay and €139m non-pay annually by 2014). Notwithstanding these savings, the current allocation for 2011 is actually higher than the outturn for 2010. This is due to the fact that the 2011 allocation also takes account of upward expenditure pressures, mainly due to increases in pension expenditure and the impact of significantly increasing demographics (with enrolment over the next four years projected to increase by 6%, 5% and 18% in primary, secondary and tertiary education, respectively) on teacher numbers and on student support payments.

The savings are spread across the education and skills sector and include reductions in the school transport scheme, staff numbers, student support and training allowances. For higher education specifically, a new student contribution charge of €2000 has replaced the Student Services Charge of €1500 as from the 2011/2012 academic year. In 2011, the Higher Education Authority is undertaking further work on the sustainability of the existing funding framework to inform policy options for future funding of the sector. The allocation for capital expenditure has also been reduced by some 40% since 2008, although falling land values and tender prices have significantly moderated the impact of these reductions on the educational building programme.

Under the terms of the EU/IMF Programme of Financial Support and as set out in the National Recovery Plan 2011–2014, which commit the government to reducing overall current expenditure by €7 billion by 2014, bringing spending back to 2007 levels, further reductions in expenditure on education of the order of €350m will be required by 2014.

7. CONCLUSIONS

Ireland offers a contrasted picture as regards the performance of its education system, with a very high rate of higher education attainment, but also challenges relating to early school leaving and participation in adult learning. School achievement has deteriorated, particularly in reading and mathematics but recent initiatives targeting disadvantaged groups are having positive effects.

The development of vocational training opportunities, in particular the up-skilling of the work force and of the unemployed, is likely to support progress towards the Europe 2020 objectives.


With significantly increasing demographics, enrolment figures are expected to continue to rise over the medium term at all levels of education. This should bring new demands for both learning provision and infrastructure.

In this context, the main challenge for Ireland will be to preserve expenditure on education and training against the background of strict fiscal consolidation, to facilitate future growth.

ITALY

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| ITALY  | | Italy | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 100% | 98.2% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 18.9% | 21.0% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 32.8% ⁰⁶ | 24.9% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 25.3% ⁰⁶ | 20.6% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 25.1% | 18.8% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 11.6% | 19.8% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 6.3% ⁰⁴ | 6.2% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰⁴= 2004, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Given the persistently high government debt and lagging productivity growth over the past decade, Italy faces public finance constraints and wide-ranging structural challenges and bottlenecks to growth. The latter, generally more severe in the southern regions, concern: competitiveness; the labour market; the business environment; education; and research and innovation. These challenges coincide with those acknowledged by the Italian authorities in the NRP. As regards human capital, despite some progress, Italy still has a relatively high number of early school leavers and low tertiary education attainment levels. Moreover, Italian students score poorly on the OECD Programme for International Student Assessment (PISA), with performance in the northern regions in line with or above the EU average but significantly worse in the south. Resources devoted to higher education are low compared to the EU average, both in terms of share of GDP (0.76% vs 1.12% of GDP in 2007) and as measured by per student spending (€7211 EUR vs €9101 in PPS in 2007). Participation in lifelong learning is still lagging behind the EU average and is particularly low for older and low-skilled workers.

As regards specific measures for young people, the government plans to expand apprenticeship schemes in order to boost the employment prospects of vocational trainees and early school leavers. The key measure is expansion of the opportunities for apprenticeship, by giving students the opportunity to work as an apprentice in a firm as an alternative to classroom learning during the last year of compulsory education. Measures are also envisaged to improve education and training policies with a view to facilitating the transition from school to work, matching skills better to job requirements and reducing the school drop-out rate (measured as the percentage of the population aged 18–24 with at most lower secondary education and not in further education or training), which currently stands at 19.2%. These measures seem consistent with the planned target of reducing the school drop-out rate to 15–16% by 2020. However, no strategy for reducing the high early school leaving rate seems to have been put in place, as the NRP does not indicate which specific factors driving early school leaving will be addressed and how.

Furthermore, the NRP does not clarify whether a system of skill certification and vocational training standards at national level, to which the government is committed, is going to be put in place. The absence of such a system hampers the recognition of training qualifications from one region to another.

Italy has a high risk of poverty and social exclusion (24.7% as against 23.1% at EU level), mainly affecting people with low educational attainment, children, women, large households and households whose head is unemployed.

The education system has undergone a series of reforms with a view to modernising it and improving its cost-efficiency. The reform of primary education implemented in 2009 led to a significant cut in the number of teachers. Part of the reduction in current expenditure is meant to be redirected to finance investment in school infrastructure, especially ICT. A reform of upper secondary education is being implemented as from the current school year and will be completed in 2015. It provides for simplification of the school curricula (fewer options and fewer overall classroom hours but more foreign-language teaching), entailing also a reduction in the number of teachers.

Improving the performance of the tertiary education system is considered in the NRP as a priority for Italy, also in order to reach the 2020 target of a 26–27% tertiary attainment rate for the 30–34 age group. The December 2010 reform of universities concerns three key areas: governance, funding and recruitment. In particular, financial/administrative management is now clearly separated from management of teaching and research activities. Furthermore, a growing share of funding is to be allocated to universities on the basis of teaching and research performance. A newly established National Agency for Evaluation of Universities and Research (ANVUR) will evaluate research and education institutions. Lastly, recruitment and career mechanisms are to be made more transparent and merit-based. The reform thus tackles some of the key weaknesses of the Italian university system, although a successful implementation will take time and require the cooperation of all actors involved.

A final structural issue for Italy is its effectiveness in using EU cohesion policy funds to support growth and job creation. [...]

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

As pinpointed in the European Semester, early school leaving remains a major challenge for Italy, which still performs below EU average levels. Italy has set national targets for reducing drop-out rates to 17.9% in 2013, 17.3% in 2015 and 15–16% in 2020. This target takes into account additional planned efforts in 2007–2013, supported by structural funds and by regional policy nationwide, as well as the associated objectives for southern Italy. The accuracy of the estimations decreases as the time horizon increases, since it depends on variables that cannot at present be assessed; a review of the 2020 figure is therefore recommended around 2015.

Overall, the target appears to be broadly in accordance with the trend, but lacking ambition given the current slow increase in performance.

The measures adopted aim to curb the ESL phenomenon in general, reducing disparities between north and south and improving the quality of education, such as more flexible paths, with easier transitions, improved guidance, and more focus on basic skills and key competences. Measures also include the setting up of a new National Pupils Registry to monitor whether compulsory education is complied with and to keep track of early school leaving, absenteeism or irregular attendance with a view to adopting ad hoc preventive measures. As regards the prevention of early school leaving, it is significant to note that Italy performs above the EU benchmark on participation in early childhood education. Where compensation is concerned, adult education opportunities target early school leavers as the main beneficiaries.

Despite significant improvements during the last decade, further efforts appear to be needed – through the structural funds but also through more general measures – to improve the overall quality of school education and performance to ensure achievement of the ESL target.

3.2. Tertiary attainment

The European Semester also highlighted that Italy's tertiary attainment rate (19.8%) is significantly lower than the EU average of 33.6%. Italy also has low participation and high drop-out rates in tertiary education. Nevertheless, the number of *MST graduates* has considerably increased and is now above the 2010 EU benchmark.

Italy intends to raise the tertiary attainment rate to 27% by 2020. This objective confirms the current trends but lacks ambition.

Italy has been implementing measures to increase access and attainment in tertiary education since 1999, when a reform aligned the system with the Bologna process. The reform increased the share of secondary school graduates enrolling in tertiary education, reaching a peak of 74.4% in 2003/2004.

Also, public funding of higher education institutions is linked to the number of students, thus providing an incentive to reduce drop-out rates. Completion rates are assessed in the quality assurance procedure.

Despite some undeniable efforts, further action is needed to improve tertiary attainment. Inefficiencies in the system need to be tackled, such as the high drop-out rate, the fragmentation of paths and the low correlation between funding and performance. The key measures of the university reform adopted in December 2010 are steps in the right direction. They should be implemented and completed as appropriate to speed up raising the attainment rate.

4. MOBILITY

As regards tertiary education, Italy has an outbound long-term mobility (1.8% of students per year) below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.9% of students in 2008/09) is slightly above the EU average. Thanks to growing management autonomy, higher education institutions have been developing their own mobility and internationalisation strategies. A new law adopted in 2010 aims to promote the international recruitment of teachers and researchers.

By 2020, Italy aims to reaching the target of 20% of graduates with mobility experience set by the ministers responsible for higher education in Leuven / Louvain la Neuve.

Initial learning mobility peaked in 2004 (+9.5%), while lifelong learning mobility peaked in 2005 (+9.7%). In 2007, with the launch of the LLP, the trend diversified for the two distinct types of mobility: initial learning decreased (-6.9% as compared to the year before) while there was a significant increase (+74.6%) for lifelong learning.

Further action would be appropriate to improve the balance between outgoing and incoming mobility, which is currently negative for incoming mobility.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Italy does not have one single comprehensive lifelong learning strategy but individual strategies for general education, vocational education and training and employment, with some common principles and intersections. In accordance with the holistic approach to lifelong learning agreed at EU level, the various sector-specific policies could be more effectively structured under an overarching concept to help maximise their effectiveness.

The participation of adults in lifelong learning is low in comparison with the EU as a whole (6% vs 9.3% in 2009). It is at around half of the 2010 target of 12.5% and is even further from the 2020 target of 15%. Lifelong learning is especially low for the low-skilled (1.1%), who would benefit the most from further education. The insufficiently developed continuing education and training system contributes to the high share of the labour force with only low qualifications. Better consistency and closer coordination between the different policies would be likely to improve participation in LLL.

The measures implemented, such as the national law on continuous vocational training, the inter-professional funds introduced by the budget law and managed by the social partners, and the programmes financed by the ESF and managed at regional level since 2001, would require further monitoring and evaluation.

Italy expects to face a shortage in new job-related high and intermediate skills, as well as a general mismatch between the skills provided by the education and training system and labour market requirements. By 2020, it risks becoming one of the EU countries with a large poorly qualified proportion of the workforce. A new unit has therefore been established at the Ministry of Labour to collect skills requirements at geographical and sector level, and the setting up of a national centre for skills forecasting is planned.

The 2010 Agreement between the state, regions and social partners established 21 vocational qualification profiles (three-year length) and 21 vocational certificate profiles (four-year length).

A Government Decree on apprenticeship was adopted on 29 July 2011, defining the apprenticeship contract as ‘an employment contract of indefinite duration with training and employment purposes’. A national monitoring centre will be established to assess and forecast regional and sector-specific skills requirements with the help of professional associations, labour advisors, work agencies, bipartite bodies, etc.

These measures address two major challenges — the development of apprenticeships and skills certification — highlighted during the European Semester, and are therefore steps in the right direction, which need to be pursued and reinforced.

6. INVESTMENT IN EDUCATION

| | Italy | | EU average | |
|---------------------------------------|-------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 4.55% | 4.58% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Public spending on education in Italy is below the EU average (4.58% vs 5.07% of GDP in 2008); it has slightly increased over the last decade but the gap has widened. Spending per student relative to GDP per capita is relatively high in primary education (22.7% vs 26.6% in 2007), and is at the EU average in secondary education (25.1% in 2007).

Despite a relatively high level of expenditure, school education in Italy produces poor results in terms of the performance of 15 year-olds on PISA tests, where the national average masks significant regional disparities: performance is significantly worse in the south. Some recent improvements seem to suggest that the measures implemented, mainly financed from the ESF, have been successful, although they mostly focused only on prevention. It is also hoped that the increase in the length of compulsory education introduced by the Finance Law in 2007 is having a positive effect, as statistics suggest. Nevertheless, further efforts would be needed, including the development of a comprehensive strategy.

Resources devoted to higher education are low compared to the EU average, both in terms of share of GDP (0.76% vs 1.12% in 2007) and in terms of per student spending (€7210.9 vs €9101 in PPS in 2007). The correlation between funding and performance is also weak. Owing to the importance of tertiary education for boosting innovation and growth, and

considering Italy's target to raise the attainment rate to 27% by 2020, directing more funds to higher education should be considered.

The budget allocated to vocational training and retraining as part of active labour market policies has been increased significantly as a result of the economic crisis over the period 2009–2010.

7. CONCLUSIONS

Italy has progressed in tackling the challenges identified in the European Semester 2011, but the country's early school leaving performance remains far below the EU average. The recently established pupil monitoring system appears to be an important step for preventing ESL. Striking the right balance between ESL prevention, compensation (e.g. by increasing adult participation rates in lifelong learning, which are currently very low) and targeted intervention measures will be important for Italy to ensure a faster improvement in ESL rates.


While serious reforms have been initiated at primary and secondary school level as well as in higher education, and modernisation measures are planned in VET, Italy is facing the challenge of integrating the different levels of lifelong learning to improve the overall quality and efficiency of the education and training system, in particular in the south.

Investment in education remains below the EU average. This will be another important challenge for Italy, against the background of the European Semester recommendation to prioritise growth-enhancing expenditure in sectors such as education and training even in periods of strict fiscal consolidation.

LATVIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| LATVIA  | | Latvia | | EU average | | EU Benchmarks | |
|---|-------------|----------------------|----------------------|----------------------|----------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 65.4 % | 89.6 % ⁰⁹ | 85.2 % | 91.7 % ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 30.1 % | 17.6 % ⁰⁹ | 21.3 % | 20.0 % ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | 20.7 % ⁰⁶ | 22.6 % ⁰⁹ | 24.0 % ⁰⁶ | 22.2 % ⁰⁹ | - | 15 % |
| | Science | 17.4 % ⁰⁶ | 14.7 % ⁰⁹ | 20.3 % ⁰⁶ | 17.7 % ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 16.9 % ⁰² | 13.3 % | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 18.6 % | 32.3 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 7.8 % ⁰³ | 5.0 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰²=2002, ⁰³= 2003, ⁰⁶ = 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recital (1)

On 20 January 2009, the Council adopted Decision 2009/290/EC¹ to make available to Latvia medium-term financial assistance for a period of three years under the provisions of Article 143 of the Treaty. The accompanying Memorandum of Understanding signed on 28 January 2009 and its successive supplements lay down the economic policy conditions on the basis of which the financial assistance is disbursed. Decision 2009/290/EC was amended on 13 July 2009 by Council Decision 2009/592/EC.⁸ The last supplement to the Memorandum of Understanding was signed in June 2011.

Recommendation

Implement the measures laid down in Decision 2009/290/EC, as amended by Decision 2009/592/EC, and further specified in the Memorandum of Understanding of 20 January 2009 and its subsequent supplements, in particular the last supplement of 7 June 2011.

Supplemental Memorandum of Understanding (fourth addendum to the Memorandum of Understanding), 7 June 2011

To implement effective active labour market and education policies:

- a) by end-July 2011, prepare proposals to the Commission as regards re-allocating sufficient additional funding within EU Structural Funds for active labour market measures in 2012–2013; in this context, line ministries in cooperation with social partners and branch associations shall assess the adequacy, priorities and financing of existing and planned active labour market programmes, with a view to facilitate through training and other activation measures the participants' transition to regular employment, including self-employment. Improve supply of relevant labour market skills by promoting up-skilling, re-skilling and work-based training measures.
- b) by end-September 2011, introduce monitoring system of training providers, based on, inter alia, job placement rates and customer survey results, and by end-March 2012, complete an independent evaluation of the voucher system functioning, in particular as regards relevance of training to labour market needs.
- c) during 2011, further strengthen the capacities of the State Employment Agency to allow more efficient job counselling services through a lower number of unemployed per case-handler and introduction of innovative working methods.
- d) continue reforms in vocational education by, inter alia, consolidating the number vocational education institutions and assessing the study programmes in line with labour market needs and implementing the 'money follows student'; continue reforms in higher education by assessing and consolidating the study programmes, concentrating the resources, and implementing the performance based financing.

⁸ OJ L 202, 4.8.2009, p. 52.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

In the last decade Latvia showed progress in reducing the number of early school leavers (from 16.9% in 2002 to 13.3% in 2010) and currently performs better than the EU average of 14.1%. Based on current trends, Latvia is therefore likely to reach its national target of 13.9%.

However, Latvia presents a mixed picture as far as school achievement is concerned. It has made visible progress since 2000 in reducing its rate of low achievers, in particular as regards reading and science, but the situation has deteriorated slightly in the field of mathematics.

A positive development for monitoring early school leaving has been the setting up of a State Education Information System (SEIS) in the academic year 2010/2011 by the Ministry of Education and Science (MoES). SEIS contains information about education institutions, academic programmes, students and teaching staff. It enables efficient tracking of the educational process and provides accurate identification of students who have not commenced studies in the compulsory educational system and also of students who have discontinued studies prematurely. SEIS covers both general and vocational education institutions. At the beginning of 2011, it showed that approximately 2% of children of mandatory schooling age who are registered in the Latvian population register are not registered with any educational institution. Based on SEIS data, the State Education Service takes steps in cooperation with local authorities to establish the reasons for drop-out. In addition, the Central Statistical Bureau compiles data on the number of students at vocational education institutions and the reasons for leaving them.

In February 2011, procedures were adopted for a single mechanism to regulate the conduct of educational institutions where a student is not present at the start of the school year or in any particular course.

The measures planned by the Ministry of Education and Science for the prevention of early school leaving include: enhancement of academic content in the first stage of elementary education (grades 1 to 6) in order to ensure better compatibility with age-related learning capabilities; introduction of advanced learning methods by encouraging an individualised approach to the learning process; introduction of flexible learning models, including night schools, involving the development of distance learning options for individuals wishing to obtain secondary education, starting in the academic year 2011/2012; offering flexible vocational education programmes structured as learning modules; and providing the opportunity for secondary school leavers to obtain Level 2 or 3 professional qualifications within 1 to 1.5 years.

Compensation measures include pedagogical support to students with learning difficulties. Students with social behavioural disorders are provided with special educational programmes, which provide for simultaneous acquisition of curricula and social skills, focusing on an individual pedagogical approach.

3.2. Tertiary attainment

Tertiary attainment rates have improved significantly in the last decade (from 18.6% in 2000 to 30.1% in 2009 and 32.3% in 2010), and the EU average of 33.6% has almost been reached.

Latvia has set a national target of 34–36% graduates by 2020, which, based on current trends, is likely to be achieved.

The number of students has grown significantly since the 1990s, but the increase slowed down after 2007 due to both demographic decline and the unchanged number of state-funded study places. The Latvian authorities estimate that in the coming 4–5 years the overall number of students is set to decrease due to the decline in the purchasing power of the population and to unfavourable demographics.

In 2010 Latvia started to implement a number of measures (also financed by EU Structural Funds) to render higher education more attractive, accessible and competitive. An Action Plan for 2010–2012 provides for the following measures: improvement of the quality of study and scientific activity; upgrading of material and technological provision and increased efficiency of resource use in higher education and scientific institutions; internationalisation of higher education; integration of the higher education and science sector with the economy and social development. The Plan is implemented in collaboration with the Latvian Employers' Confederation, the Latvian Chamber of Commerce and Industry and professional associations.

To ensure equal access to higher education, improvements to the mechanism for awarding scholarships and student loans have been initiated. These include broadening study opportunities and promoting more guidance on the choice of subject areas. In 2010 60% of the total number of scholarship recipients received scholarships for higher education studies based on social criteria (low family income, disability, etc.).

Nevertheless, from the academic year 2011-2012 a new system of distributing scholarships has come into force, based on academic merits as the main criteria. In the new system social criteria will be taken into account only in the case of equal academic merits.

The growth in MST graduates in Latvia since 2000 is less than one third of the EU average. The share of female MST graduates is around the EU average and the gender balance has improved only slightly during recent years.

4. MOBILITY

As regards tertiary education, Latvia has an outbound long-term mobility (2.9% of students per year) close to the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.9% of students in 2008/09) is also close to the EU average.

Latvia promotes the outgoing and incoming learning mobility of students in higher education. It relies on the Erasmus mobility programme but also on international cooperation programmes such as bilateral programmes for higher education cooperation and the *Nordplus* programme. To increase the internationalisation of higher education, Latvia has also adopted measures to encourage the interest of foreign students in Latvian higher education programmes, namely joint projects for Baltic cooperation.

Latvia aims to increase the share of international students in Latvia to 3% of the total number of students by the fourth quarter of 2012. Measures to identify and reduce obstacles to learning mobility include: promotion of study programmes in EU languages; negotiation of bilateral agreements with third countries for the recognition of academic degrees and qualifications; and provision of scholarships to foreign students, researchers and teaching staff under bilateral and trilateral inter-governmental and inter-departmental agreements.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

A lifelong learning strategy, co-financed by the Structural Funds, has been developed since 2009. The strategy involves local authorities, social partners and higher education institutions. According to the Lifelong Learning Policy Guidelines, local authorities must provide basic skills to 15% of adults within their territory.

Adult participation in lifelong learning remains limited and has been decreasing since 2003, hence widening the gap in relation to the EU average.

Latvia has implemented measures in vocational and higher education to address youth unemployment and the incompatibility of skills with labour market requirements.

As of 1 October 2010, the Ministry of Education and Science is providing an opportunity to 950 secondary-school-leavers to obtain Level 2 and 3 vocational qualifications. These measures encourage the acquisition of basic skills and more rapid integration within the labour market by ensuring a balanced acquisition of skills and competences for professional activity and continued education.

Measures were also taken in the academic year 2010/2011 for adults who wish to complete basic and secondary education. Access to second-chance education is offered through evening courses, tuition, social and pedagogical support, and special education programmes for various target groups.

In 2010 and 2011, legislation was passed to regulate the assessment of professional competence acquired outside the formal educational system and to establish procedures for persons who have acquired professional competences at Level 1, 2 or 3.

In the area of higher education, the Action Plan 2010–2012 includes measures for ensuring the compatibility of study programmes with economic needs, by increasing the role of entrepreneurs and employers in accrediting professional study programmes, by developing study programmes and evaluating their suitability, by verifying study outcomes and evaluating the distribution of study places across academic disciplines, and by ensuring their conformity with trends in national economic development. Latvia also aims to increase the share of graduates in natural sciences, engineering and technology programmes.

In 2010, in collaboration with 16 industry associations and professional organisations, further teacher education in accordance with industry needs began to be implemented, with the aim of raising the competence of the teachers and supervisors involved in initial and further vocational education.

6. INVESTMENT IN EDUCATION

| | Latvia | | EU average | |
|---|--------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 5.64% | 5.71% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Latvia's level of *investment in education* is above the EU average. However, education and training budgets have suffered significant cuts due to the economic and financial crisis since 2008. The main challenge for Latvia will be to preserve expenditure on education and

training, in a context of strict fiscal consolidation, in order to facilitate future growth, following the general recommendation resulting from the European Semester 2011.

Latvia is implementing measures to ensure cost-efficiency in all areas of education. The school network has been adjusted to needs and a ‘money follows the pupil’ funding model has been introduced. Funding from the Structural Funds has been invested in the creation of competence centres, the development of specialised vocational schools, and the modernisation of higher education.

Latvia intends to increase the funding for higher education by 2015 up to 1.2% of GDP. At present, it constitutes 0.7% of GDP. It plans to offset a recent decrease with savings arising from allocating funding to higher education institutions for certain scholarships in accordance with actual demand. In 2011, less funding will be required for study loans, as loan interest rates have dropped significantly and are not expected to rise again. Enrolment in programmes in lower priority areas will also be decreased.


7. CONCLUSIONS

In line with the recommendation in the Memorandum of Understanding, Latvia has adopted measures in the areas of vocational and higher education. Such measures, supported by the Structural Funds, address in particular youth unemployment associated with the incompatibility of skills with the requirements of the labour market, and structural reforms aimed at modernisation of the higher education sector.

LITHUANIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| LITHUANIA  | | Lithuania | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 60.6% | 79.6% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 25.7% ⁰⁶ | 24.3% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 23.0% ⁰⁶ | 26.2% ⁰⁹ | - | 22.2% ⁰⁹ | - | 15% |
| | Science | 20.3% ⁰⁶ | 17.0% ⁰⁹ | - | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 16.5% | 8.1% ^b | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 42.6% | 43.8% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 5.9% ⁰⁴ | 4.0% | 8.5% ⁰³ | 9.1% ¹⁰ | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³=2003, ⁰⁶=2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

In order to achieve the employment target of 72.8% by 2020, the long-term challenges include increasing the labour supply by raising the retirement age, ensuring that the labour force has adequate skills, implementing targeted measures for disadvantaged groups and facilitating return to work after childcare. A well-designed and accessible lifelong learning system would help to contain the negative trends in adult lifelong learning⁹ and encourage occupational mobility. This requires sufficient incentives to upgrade skills, with one possible means being the introduction of a training voucher system for workers, especially targeted at the low-skilled and older workers. The new forecasting tools for labour demand will help to better match qualifications to what is required by the market.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

At 8.1% in 2010, Lithuania's early school leaving rate is below the EU average. The national target set for 2020 is to keep the level of early school leavers below 9%. Lithuania introduced a new data collection and monitoring system for early school leaving in 2010 (*the Information System on Children not in Education and Pupil Absenteeism*), which collects regular updates and provides data analysis on children living in each municipal territory. Non-attendees who miss more than half of the lessons of the compulsory curriculum per month are recorded in the information system. The main priority target groups are young persons, mainly males, from rural areas, and young people with special educational needs, with a focus on lower secondary education and vocational training.

The measures addressing early school leaving cover improving the quality and availability of early childhood education and care, where Lithuania has strongly increasing participation rates, although further progress is needed to reach the EU average level.

Other measures include raising the quality and efficiency of assistance to pupils in general education, providing support for pupils with special needs and pupils from disadvantaged backgrounds, developing vocational education and training and ensuring good quality second-chance educational provision (e.g. *Youth Centres*).

3.2. Tertiary attainment

At 43.8% in 2010, Lithuania has one of the highest levels of tertiary attainment in the EU, after two decades on the increase. Participation in higher education is remaining stable. Lithuania has made about the same progress as the EU average in increasing the number of *MST graduates*. Nevertheless, in this context a more sustainable gender balance remains to be achieved as far as female students are concerned.

Lithuania is implementing a number of measures to sustain tertiary attainment at the 40% level, such as the state-supported study loan scheme, social scholarships, financial support for students with disabilities, or targeted scholarships for certain types of study programmes.

⁹ Participation in lifelong learning in Lithuania is very low (4.5% in Lithuania, 13.8% in the EU in 2009), with rates extremely low for the low-skilled (3.2%) and older workers (1.9% of 45–54 year olds).

Some monitoring of potential decreases in numbers of tertiary education graduates linked to the new funding system for higher education and the introduction of tuition fees may be relevant.

Having adopted the new Law on Research and Higher Education in 2009, the government is keeping up its efforts to raise the quality of higher education and address the mismatches between the supply of tertiary education graduates and labour market needs.

4. MOBILITY

Lithuania takes part in the Comenius, Leonardo da Vinci, Erasmus and Grundtvig programmes, the NordPlus Framework Programme (for schools, higher education institutions and adult learners) and the Academic Exchange Programme, and runs other projects, some supported by the EU Structural Funds, that encourage learning mobility. Lithuania also has learning mobility schemes based on bilateral agreements with educational and training institutions inside the EU and beyond (e.g. Japan, Israel, China).

As regards tertiary education Lithuania has an outbound long-term mobility (3.6% of students per year) that is slightly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.2% of students in 2008/09) is also above the EU average.

Lithuania is among the countries that recognise teachers' participation in international learning mobility as part of the upgrading of their qualifications.

The command of foreign languages is the major obstacle to learning mobility in Lithuania. In order to address the issue and to facilitate participation in learning mobility, special courses for upgrading knowledge of foreign languages are provided.

Lithuania's approach to learning mobility appears to be fully in line with the Council Recommendation 'Youth on the move — promoting the learning mobility of young people' adopted in 2011.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Lithuania approved a Strategy for Ensuring Lifelong Learning in 2008, together with an Action Plan for its implementation. However, as the strategy and the action plan are rather general, the targets, deadlines and financing sources are not clearly indicated, and assessing the impact could be challenging.

The EU Structural Funds are one of the largest sources of financing for lifelong learning services in Lithuania. Lithuania began to develop possibilities for pupils aged 14–19 to choose a learning pathway by way of differentiated or individualised curriculum content through a School Improvement Programme Plus project, supported by the European Social Fund, on the 'Provision of options for choosing a learning pathway for students aged 14–19, phase II, wider differentiation and individualisation of learning to achieve the quality of education needed for today's world of labour'. The project is to be finalised in 2012.

In 2008 Lithuania conducted a survey on future skills, the results of which were used in forecasting levels of students' admission to vocational schools and higher education establishments in 2009. In 2010, Lithuania started implementing a project for putting in place a monitoring system to ensure quality and efficiency in the provision of career services in general education and in particular in VET, where enrolment is very low. In 2010, a research project on the demand for specialists and skills was undertaken, which was a basis for developing a map of the needs for specialists and skills in the various economic sectors for the

period 2011–2016. Lithuania is continuing to work on the development of the public policy framework for forecasting skills demand.

Although the measures outlined above are consistent with the main challenges identified during the European Semester, namely the need for a well developed lifelong learning system and for upgrading and forecasting skills for the labour market, the deterioration in lifelong indicators seems to suggest the need for a more focused implementation approach.

6. INVESTMENT IN EDUCATION

| | Lithuania | | EU average | |
|--|-----------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 5.90% | 4.91% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Public investment in education as a percentage of GDP has fallen since 2000 and is now slightly below the EU average.

The education budget in Lithuania was adversely affected by the economic crisis between 2009 and 2011. The main effects could be observed on the salaries of educational staff, where the planned increases at all levels of education were suspended, and salary adjustments were made in the higher education and research sector.

Social support schemes for pupils from disadvantaged families are continued in spite of the effects of the crisis. In order to support families with school-age children and provide pupils with nourishing meals at school, Lithuania has legal provisions specifying that children from low-income families are entitled to free meals and free provision of school supplies for every school year.

Prioritising investment in education and training in the context of budgetary restrictions, in order to enhance growth in line with the general recommendation resulting from the 2011 European Semester, will be a significant challenge for Lithuania.

7. CONCLUSIONS

Lithuania offers a contrasted picture as regards the performance of its education system, with a high rate of tertiary education attainment and relatively low early school leaving levels. At the same time it faces major challenges in other areas, such as pre-school education, school achievement and adult learning.


Lithuania has taken several initiatives to strengthen the learning capacity of the school population and to maintain achievements at all levels of education.

Particular challenges will be for Lithuania to step up efforts to improve early childhood education and care, performance in specific subjects and adult participation in lifelong learning.

LUXEMBOURG

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| LUXEMBOURG  | | Luxembourg | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 94.7% | 94.3% ⁰⁸ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | (35.1%) | 26.0% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 22.8% ⁰⁶ | 23.9% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 22.1% ⁰⁶ | 23.7% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 16.8% | 7.1% b,u | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 21.2% | 46.1% b | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 6.5% ⁰³ | 13.4% b | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹= 2001, ⁰³= 2003, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional, u= unreliable

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

The Luxembourg education system is simultaneously faced with the diversity of the academic population, which has rates of foreign student participation of between 35 and 50%, depending on the educational level, and the multilingual nature of the system, which provides teaching in Luxembourgish, German and French in primary education, and also in English at the beginning of the lower cycle of secondary education and in certain vocational institutions.

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Over the last ten years the education budget in Luxembourg has increased steadily in absolute terms, but has dropped slightly as a share of GDP, and is below the EU average (this does not include spending on higher education). The country's performance is fairly mixed in comparison to other EU countries, with problems in early school leaving and higher education attainment. The NRP stresses the reforms already introduced in the fields of primary, secondary and professional education as well as professional training.

With an early school leaving (ESL) rate of 9% (2008–2009),¹⁰ Luxembourg has reached its target and is considering a more ambitious objective. However, the migrant population in particular is still hit heavily by early school leaving. For children from immigrant families where none or only one of the official languages is spoken at home, gaining proficiency in all three official languages is difficult. For students without fluency in the three languages, a number of career paths will be closed.

Upper secondary attainment, at 76.8% in 2009, is below the EU average of 78.6%. This can be partly explained by strong net migration, with many young adults that have been educated outside the national education system. In addition, tertiary attainment rates (30% in 2009)¹¹ are below the EU average (32.3%), despite the strong demand for workers with tertiary qualifications. This low rate is, however, linked to the fact that Luxembourg does not define this indicator on the basis of the Eurostat Labour Force Survey (LFS) (according to which Luxembourg has a 46.6% rate), defining it instead on the basis of only the resident population. The NRP underlines the objective of ensuring that 40% of the resident population hold a university (or equivalent) degree and presents a series of measures aimed at achieving this objective. Several measures focus on increasing the number of students embarking on higher education. These include allowing the validation of prior learning and experience to give access to university studies, increasing short higher education studies, establishing a link between higher education programmes and companies' needs in order to promote employability of higher education graduates, and offering financial support to all students whether they are studying in Luxembourg or outside the country. Policy measures to promote entry to higher education and to ensure successful completion of studies within a reasonable timeframe are not clearly described in the NRP. Close monitoring of the impact of these measures will be important.

Adult participation in lifelong learning (13.4% in 2009) has improved. This would be further improved through a coherent and closely monitored lifelong learning strategy, particularly for the population aged 55–64 with a low education level. The reform of vocational education and training (VET) will provide more possibilities to bridge the gap between vocational training and higher education. A key challenge will be to increase the quality and attractiveness of

¹⁰ National figure. The Eurostat figure stands at 7.7%.

¹¹ National figure. The Eurostat figure stands at 46.8%.

VET studies and to raise the standard to excellent in order to provide a qualified workforce to the labour market and offer job prospects to the learners.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (4)

Take steps to reduce youth unemployment by reinforcing training and education measures aimed at better matching young people's skills to labour demand.

3. EUROPE 2020 HEADLINE TARGETS

At present Luxembourg does not define the education indicators on the basis of the Eurostat Labour Force Survey (LFS) but on the basis of the early school leaver detection system set up by the Ministry of Education and Vocational Training and on the resident population.

3.1. Early school leaving

Luxembourg has set a national target of 10% of school leavers by 2020. However, if the objective is reached and the rate stabilised by 2015 the national target might be replaced by a more ambitious one.

Luxembourg performs better than the EU average in the area of *Early leavers from education and training*. In 2008–2009 the share of early school leavers reached 9% (Eurostat figure: 7.7%). A decline in the number of early school leavers began in 2003, due to improved guidance, systematic follow-up of students who drop out and the creation of new academic possibilities for students with difficulties. In this area Luxembourg has put in place a set of measures to address early school leaving, including the promotion of success in school, strengthening counselling activities and implementing a programme to reintegrate pupils into school taking into account the diversified origin of the school population (35% to 50% of the pupils are of foreign origin). A second-chance school was opened in March 2011.

As regards the quality of teaching at primary and secondary level Luxembourg has also put in place tools for monitoring and assessing progress via the agency for school quality development (*Agence pour le développement de la qualité scolaire — ADQS*).

Participation in early childhood education is slightly above the EU average in Luxembourg.

3.2. Tertiary attainment

The *tertiary education attainment* rate in Luxembourg is far above the EU average and already above the 2020 headline target. Measured in percentage points, Luxembourg is the EU Member State that has progressed most in this area after Ireland. The number of *MST graduates* in Luxembourg has grown only moderately since 2000 (below the EU average), while the share of female MST graduates is above the EU average and close to gender balance.

With regard to tertiary attainment, Luxembourg has set a national target of 40%. In 2009 the share of 30–34 year olds with tertiary education attainment reached 30%, while the Eurostat figure shows a share of 46.6%. Luxembourg has decided to base the calculation method on the resident population in order to better assess the ability of the Luxembourg education system to prepare young people to complete tertiary education.

The measures taken focus, on the one hand, on secondary education and aim to equip the highest number of future students with the key competencies needed to successfully complete tertiary education; on the other hand, they focus on broadening the offer of higher education curricula. The Luxembourg State also gives financial contribution to students who take higher or university education. The financial aid can consist of two parts: a grant paid by the State into the student's personal account and a loan at an interest rate of only 2%.

Higher education in Luxembourg features the recent creation of a higher education institution, the University of Luxembourg, established in 2003 with three faculties: Technology and Information; Law, Economics and Finance; and Arts and Human and Educational Sciences. Several new study programmes have been created and integrated into the Bologna system. The University makes higher education in Luxembourg more transparent, as the structure of the studies is directly linked to the Bologna Process. Alongside education, the University of Luxembourg puts strong emphasis on research. Five principal research priorities have been set and are a part of the multiannual contract (2010–2013) signed between the University and the government of Luxembourg.

Despite the fact that Luxembourg has its own university, most students undertake studies outside the country. The high enrolment rate of tertiary students outside the country is due mainly to the size of Luxembourg and to the fact that the national higher education system does not provide all third-level studies.

4. MOBILITY

Luxembourg is committed to promoting and facilitating outgoing/incoming mobility for learners, teachers and workers, especially within the '*Grande Région*' ('Greater region', which covers neighbouring regions of LU, DE, BE and FR). A legal basis has been established for cross-border vocational training, easing the mobility of trainees, especially for jobs for which theoretical training is not available in Luxembourg schools. Given the fact that Luxembourg attracts many workers from neighbouring countries, it organises courses in the Luxembourgish language in France and Germany. A Germano-Luxembourgish secondary school has also been created.

As regards tertiary education, Luxembourg has the highest outbound long-term mobility (80.2% of students per year) in Europe, affecting the large majority of students, while short-term mobility under the EU Erasmus programme (14.1% of students in 2008/09) is clearly above the EU average and also the highest in Europe.

One of the priorities of the University of Luxembourg is the international mobility of students. All bachelor students are legally bound to spend one semester abroad. The University of Luxembourg also takes in students from foreign universities. Agreements on student exchanges with foreign universities have been signed or are under negotiation. Financial aid (grants and loans) is provided for students studying abroad by the national government and with the help of the Erasmus programme. The mobility of students in initial VET is organised via the EU's Lifelong Learning Programme (Leonardo da Vinci and Grundtvig).

The mobility of teachers and trainers in initial VET and continuing VET is also organised via the EU-funded programmes (Leonardo da Vinci, Grundtvig, Comenius), the VETPRO programme and Cedefop study visits.

The national language Institute (*Institut national des langues*) reformed in 2009, which offers the teaching of eight languages, also contributes to remove obstacles to mobility.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

At present Luxembourg does not have a single comprehensive lifelong learning strategy.

With the government programme 2009–2013, Luxembourg is committed to improving and promoting LLL by developing a coherent LLL strategy. This will involve establishing a system for the validation of non-formal and informal learning, designing a national qualifications framework and creating the concept of the counselling centre (*maison de l'orientation*) for pupils, students and adults.

A project 'Strategy LLL' (S3L), supported by both the Ministry of Education and the EU, was launched in May 2011. The aim is to inform the public about LLL opportunities and to engage a national dialogue on LLL. As a follow-up to this process, a white paper will be published and will serve as basis for shaping an LLL strategy.

Luxembourg has created the '*Agence pour le développement de la qualité scolaire*', with the aim of developing a comprehensive quality assurance reference framework in education and training at the level of the education system, school, class and individual pupil.

In the context of the implementation of the education reforms, lifelong learning for teaching staff is a main concern of the Ministry of Education and Training.

Luxembourg faces a need for specific professional skills required by a highly specialised and strongly competitive labour market, featuring a large financial services sector.

The VET reform radically overhauled vocational education in 2008. This reform is scheduled to be fully implemented for the school year 2011/2012. In order to better match VET with present and future labour market needs, all vocational training courses have been reorganised. An *observatory for training* has also been created with the aim of monitoring and analysing the future careers of trainees and the performance of VET, and carrying out prospective studies on trends in jobs and market needs.

As regards the quality of education and the recognition of professional experience, a national qualifications framework (NQF) will be established by the end of 2011. It should be linked to the EQF.

One of the biggest challenges for Luxembourg remains the integration of children with a migrant background into the multilingual school system. With this end in view several initiatives have been taken to facilitate the schooling of children of different origins.

As regards adult participation in lifelong learning, Luxembourg has made significant progress too (a break in time series in 2009 has, however, contributed to the result) and today performs above the EU average.

6. INVESTMENT IN EDUCATION

| | Luxembourg | | EU average | |
|--|---------------------|---------------------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education, % of GDP | 3.74% ⁰¹ | 3.15% ⁰⁷ | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

⁰¹=2001, ⁰⁷=2007

The overall national budget has decreased slightly since 2009, although the education budget has not been affected.

Public investment in education as a percentage of GDP has dropped slightly since 2000 and is currently below the EU average. However, it has to be considered that Luxembourg data do not include spending on higher education (for which the EU average is about 1.1 % of GDP).

The budget devoted to education in 2009, 2010 and 2011 (in absolute terms) has increased slightly.

7. CONCLUSIONS

In line with the recommendation formulated within the first European Semester, Luxembourg has adopted a series of measures in the area of education and training in order to ensure better matching between the skills of its young people and the needs of the labour market.

In this context it has developed the concept of counselling centre (*maison de l'orientation*) providing guidance services for pupils, students and adults.


Luxembourg has also implemented a VET reform which comprises the establishment of a validation system for previously acquired professional experience.

Finally, Luxembourg has decided to introduce a national qualifications framework, which will be linked to the EQF and is set to become operational before the end of 2011.

MALTA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| MALTA  | | Malta | | EU average | | EU Benchmarks | |
|---|-------------|--------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 100 % | 93.9% ⁰⁹ | 85.2 % | 91.7% ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | - | - | 21.3 % | 20.0% ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | - | - | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15 % |
| | Science | - | - | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 54.2 % | 36.9 % ^b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 7.4 % | 18.6 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 4.3% ⁰⁴ | 5.7 % | 8.5% ⁰³ | 9.1% ¹⁰ | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Insufficient qualifications and training are another bottleneck in reaching the government's employment targets. Since Malta has few natural resources, economic growth is overwhelmingly dependent on its human capital. The notable discrepancy between the demand for and supply of skills in Malta suggests that there is a need to improve the skills base of the labour force in order to respond to the structural changes the economy has been undergoing since the beginning of the decade and to further attract foreign investment in high value-added activities. The NRP describes a number of ongoing programmes aimed at raising the skills of the labour force, namely apprenticeship and training schemes. The government also plans to invest further in its Scholarship Scheme, specifically in the area of science and technology, and to extend the existing postgraduate support programme to include post-doctoral opportunities to support research and innovation activities. In addition, skills shortages in specific high added-value areas have been partly addressed in further and higher education through the introduction of flexible courses in collaboration with industry and university-business forums.

The NRP outlines a number of measures to improve education outcomes with substantial budgetary allocations in 2011.¹² A major challenge in this area is the high rate of early school leavers, which the NRP sets out to address. Measures aim to improve social and educational services to students in compulsory education and to introduce multi-disciplinary teams (including social workers, psychologists, counsellors) to help truant children and their families. In addition, to make education more attractive, the Maltese government will introduce vocational subjects in secondary school and extend the provision of vocational subjects at post-secondary level. Some measures are also envisaged to attract adults with less than upper secondary education into higher education. The government also plans to set up a national system for the accreditation of further and higher education programmes and the recognition of informal learning.

The set of measures that target education reflect the AGS priorities and should enable progress towards the national benchmarks within the Europe 2020 strategy. Nevertheless, given the importance of higher education for certain high added-value sectors, for instance business and financial services and ICT, the NRP does not appear sufficiently ambitious in tackling the challenge of insufficient qualification and training. In addition, the NRP does not adequately analyse the sources of the high rate of early school leaving, which makes it difficult to properly address the problem in a comprehensive way. Malta's early school leaving rate is still the highest in the EU, at 36.8% vs 14.4% on average in the EU, despite significant progress made in the past. If the same pace of progress is maintained in the decade ahead, the national target set by Malta for 2020 (29%) does not seem ambitious enough.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (3)

Take action within the period 2011–2012 to

¹² €340 million out of €2.9 billion, an increase of €32 million over 2010.

Focus education outcomes more on labour market needs, notably by making additional efforts to improve access to higher education and by strengthening the effectiveness of the vocational training system. Take further measures to reduce early school leaving by identifying, analysing and measuring its causes by 2012 and by setting up a regular monitoring and reporting mechanism on the success rate of the measures.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

While Malta is the poorest EU performer in terms of the early-leaving rate (36.8%, compared to the EU average of 14.4% in 2009), the country also showed good progress on this indicator over the period 2000–2009 (the ESL rate in 2000 stood at 54.2%). The Maltese government recognises the importance of tackling this issue and of reducing the level of ESL.

Malta has addressed ESL through a host of policy measures in the three areas of prevention, intervention and compensation in the National Reform Programme (NRP) and the national ET 2020 report of 2011. This is in line with the European Semester recommendation to Malta and with the approach outlined in the *Council Recommendation on policies to reduce early school leaving* of 2011.

Specific short- and medium-term measures include guidance and dropout prevention for high school students and their families; creation of transition paths between compulsory and vocational education and training (VET); inclusion of VET and science subjects in the secondary school curricula; increased learning opportunities through new educational providers and programme accreditation in the area of further and higher education; investment in learning infrastructure; review of curricula; and more lifelong learning and adult education opportunities. It should be noted in this context that Malta performs above the EU average on *participation in early childhood education*.

New NRP measures start as early as 2011. Previously, a national core competence policy was introduced and streaming in the upper primary years was removed in favour of having mixed-ability classes. On the one hand, these measures intend to avoid channelling pupils to different school types too early. On the other hand, they guide students at risk of early school leaving towards interesting career paths in work sectors in demand by industry through vocational education and training or by giving them second-chance learning opportunities in key competences. A diversified offer of schools and programmes will stimulate competition and innovative, more interesting learning and teaching environments in the education sector. Certain measures will only yield initial results in 2013.

Currently, statistical reports are made on pupils leaving compulsory education and tracer studies are carried out. The skills levels are assessed in the PISA studies. To tackle the high rate of early school leaving, the Maltese authorities have expressed their intention to track the educational, vocational and employment progress of all Malta's early school leavers until they reach the age of 20. Advice, guidance and support services on employment and education options will be provided. In addition, an expert statistician has been commissioned to give a clear picture of education and ESL in Malta. The government has set a goal of seeing 85% of young people continue their studies after the age of 16 (the end of compulsory education).

These measures are consistent with the challenges identified during the European Semester 2011 and in line with the relevant recommendations.

3.2. Tertiary attainment

While Malta's tertiary attainment rate is still far below the EU average, Malta is the EU country with the highest growth rate since 2000, the rate almost tripling by 2010. In addition, Malta has seen strong growth in the number of MST graduates (70% over eight years), compared to the EU average (33% over the same period) with a slight improvement of the gender balance too. The creation of the Malta College of Arts, Science and Technology (MCAST) largely contributed to this increase, in particular the growth of the figure for MST graduates. Measures undertaken or planned focus on further investment in the capacity of post-secondary vocational institutions such as a new campus for MCAST, investment in human capital, including more scholarships (such as ESF-funded STEPS), and targeted VET programmes. Non-traditional adult learners who do not fulfil the regular admission criteria may nevertheless enter tertiary education under a maturity clause to provide alternative pathways to a tertiary degree. In addition, newly set up accreditation and licensing mechanisms for new further and higher education providers and programmes will broaden the educational offer.

Skills shortages in specific high-value areas are being addressed in further and higher education through university-business forums and other close ties with employers. Among others, advanced VET institutions such as MCAST offer flexible courses designed in collaboration with industry.

Measures to increase participation in higher education include the creation of the Malta Qualifications Framework, revision of curricula, more information and guidance on study opportunities and scholarships for prospective students, new financial incentives to study and validation of non-formal and informal learning. To improve completion rates, the University of Malta awards a Higher Education Certificate to students who have successfully completed 60 ECTS points but do not go for a full Bachelor degree (normally a minimum of 180 ECTS points).

These measures are consistent with the challenges identified during the European Semester 2011 and in line with the relevant recommendations.

4. MOBILITY

As regards tertiary education, Malta has an outbound long-term mobility (10.9% of students per year) that is clearly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.5% of Maltese students in 2008/09) is above the EU average.

The EU's Lifelong Learning Programme with its sectoral sub-programmes as well as the Youth in Action Programme play an important role in fostering transnational mobility in Malta. In the higher education sector, mobility flows show a strong imbalance as the number of incoming students for credit mobility significantly exceeds the number of outgoing Maltese students. Further efforts will therefore be necessary to address this challenge.

The national grants are portable abroad. In the academic year 2010/2011, the two EU programmes were suspended in Malta, which meant that EU funds could not be used for outgoing mobility from Malta.

The University of Malta is improving its management of mobility periods, including promotion, the academic calendar and recognition practices. It encourages teacher mobility and assesses the reports of returning exchange students to further adapt its services.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Malta is currently developing its lifelong learning strategy, which is to be in place before the end of 2011. The strategy is being put in place by the newly created Directorate for Lifelong Learning (DLLL), which also runs adult education courses and an LLL Centre for over 9900 registered learners and provides higher education scholarships to raise specific skill levels. The training of adult trainers is a priority. The DLLL also intends to develop skills for creative industries using EU structural funds.

Malta's high ESL rate and low employment rate of women and older workers was addressed by a number of measures proposed on adult learning courses and alternative access pathways to higher education. In addition, the extension of educational opportunities in VET at existing post-secondary institutions and the opening of the education market to new providers should enhance skills levels further in the labour force.

MCAST is expanding its course offer and infrastructure (equipment, campus facilities) to increase the attractiveness of VET for non-traditional learners and increase the supply of highly specific job competences in industry.

Students over 25 years lacking minimum entry qualifications may nevertheless take a higher education degree at the University of Malta. MCAST's courses are also open to older learners through such a maturity clause. The ITS likewise allows access to courses with lower qualifications. Apprenticeship schemes and training by the Employment and Training Corporation (ETC) offer tailored VET opportunities.

A 2008 conference looked into the 'skills for the future', followed by a workshop with experts a year later. Malta was also involved in European-level activities in the field of skills anticipation with Cedefop. Sectoral skill needs are being explored by a number of ESF-funded projects.

These measures are consistent with the challenges identified during the European Semester 2011 and with the relevant recommendations.

6. INVESTMENT IN EDUCATION

| | Malta | | EU average | |
|--|-------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 4.49% | 6.01% | 4.88% | 5.07% |

Source: Eurostat (UOE)

On *investment in education* as a percentage of GDP, Malta has been performing close to the EU average and investment rates have increased between 2000 and 2008, despite some decline in the period 2005–2007. In 2007 the share of GDP spent on education was above the EU average by almost 1 percentage point. In addition, as a result of a relatively low number of tertiary students, spending on tertiary education as a percentage of GDP is relatively low, despite a high level of spending per student.

In 2008 Malta was hit by the economic crisis but recovered, with exports, business investment and employment starting to pick up in 2010.

The funding level for the education and training sector increased substantially over the period 2006–2010, from €193m to €241m despite the crisis years. The 2011 national budget further invests in education as a priority sector.

In the same five-year period, public financial support for the University of Malta and MCAST for both recurrent and capital expenditure expanded considerably, from €32m to €53m and from €11m to €16m respectively. Funds for maintenance grants and scholarships also increased from €19m to €22m.

The increased investment in the education sector reflects the general recommendation resulting from the European Semester 2011 that expenditure be boosted in growth-friendly sectors. This effort should allow the national benchmarks within the Europe 2020 strategy to be reached.

7. CONCLUSIONS

Malta faces with a threefold challenge: a high rate of early school leaving, a relatively modest rate of tertiary education attainment and a vocational training system in need of modernisation.


The European Semester recommendations call in particular on Malta to further address the high early school leaving (ESL) rate by 2012. The measures already in place appear to be pointing in a positive direction and addressing all the aspects of ESL prevention, intervention and compensation, including guidance and monitoring. The evaluation of the impact of these measures will be crucial.

As far as participation in tertiary education is concerned, if the upward trend noted in recent years is maintained, it should allow Malta to reach its ambitious national target. Malta has also been strengthening linkages with business and industry, in particular in tertiary VET, to improve effectiveness and address specific skill shortages, in line with the recommendations resulting from the European Semester.

THE NETHERLANDS

Starting with the country's performance in relation to the education and training benchmarks and challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020, as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| NETHERLANDS  | | Netherlands | | EU average | | EU Benchmarks | |
|---|-------------|----------------------|----------------------|---------------------|----------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 99.5 % | 99.5 % ⁰⁹ | 85.2 % | 91.7 % ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | (9.5 %) | 14.3 % ⁰⁹ | 21.3 % | 20.0 % ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | 11.5 % ⁰⁶ | 13.4 % ⁰⁹ | 24.0 ⁰⁶ | 22.2 % ⁰⁹ | - | 15 % |
| | Science | 13.0 % ⁰⁶ | 13.2 % ⁰⁹ | 20.3 ⁰⁶ | 17.7 % ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 15.4 % | 10.1 % ^b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 26.5 % | 41.4 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 16.4 % ⁰³ | 16.5 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

The Netherlands performs well in education, across all levels of schooling. The percentage of early school leavers has fallen from 15.4% (2000) to 10.9% (2009) and is below the European average of 14.4%. Tertiary attainment of the population aged 30–34 has risen significantly in the last decade, from 26.5% (2000) to 40.5% (2009), exceeding both the current European average of 32.2% and the 2020 European target. By 2020, the tertiary attainment rate is projected to reach 45%. Rather than increasing participation in tertiary education further, the government intends to shift the policy focus to quality.

According to the NRP, the government's education policy focuses on creating the right conditions to improve the system's performance. Regarding early school leaving, measures focus primarily on prevention, i.e. making sure that young people do not leave education without basic qualifications, although there are no specific measures for the hard-to-reach groups or those who have already dropped out of school.

In tertiary education, a high participation rate is accompanied by high drop-out rates, with the likelihood of graduation falling below 70%. In addition, institutions need to address the growing challenge of combining an ever-increasing number of students with academic excellence. The measures set out in the NRP include the introduction of a new funding mechanism in tertiary education, based on specialisation and on encouraging excellence. While the government intends to invest up to EUR 300 million between 2011 and 2016 in intensifying teaching in tertiary education, it remains to be seen if higher education institutions can indeed deliver better quality in the light of rising student numbers.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

The Netherlands performs better than the EU average in the area of early school leaving. The share of early school leavers was 10.1% in 2010, close to the 2020 benchmark of 10%. The Netherlands has set itself the target to reduce the share of young people aged 18 to 24 without basic qualifications to below 8% by 2020. This target would imply a reduction to a yearly maximum of 25,000 early leavers. In the school year 2009/2010, there were 39,600 early leavers, a reduction by 3,000 compared to the year before. Based on current trends, the target should be reached.

Tackling early school leaving is a clear priority of the Dutch government. Many policy measures have already been implemented, including the introduction of an Education Database and online absentee registration system and results-oriented voluntary agreements with schools and municipalities. The comprehensive Dutch approach, in which central and local governments, educational institutions and youth care services work together at regional level, has been identified as a best practice in the Council Recommendation on early school leaving.

3.2. Tertiary attainment

The share of the population aged 30–34 with tertiary education attainment has improved significantly over the last decade and is already above not only the EU average, but also the 2020 benchmark. In 2010, the attainment rate was 41.4%, compared to the EU average of 33.6% and 2020 benchmark of 40%. By 2020, the tertiary attainment rate is projected to reach 45% of the population aged 30–34. However, the Dutch government did not provide a target for 2020 in its National Reform Programme. Its main argument for not setting a target is that the share of the population completing tertiary education in the Netherlands has already exceeded the European 2020 target and will rise further in the coming years.

The Netherlands has made good progress in increasing the number of *MST graduates*, and the growth rate has been above the EU average. However, the share of female MST graduates is the lowest among all EU countries.

Rather than focusing on further increasing participation in tertiary education, which may negatively affect completion rates, the Dutch government is committed to further improvements in the quality of education and to reducing high drop-out rates. From 2008, concrete arrangements with higher education institutions have been made to reduce drop-out rates, although no specific targets have been set, and the government will put in place additional measures, such as more emphasis on selection and guidance and the introduction of a fine for students staying too long in tertiary education.

These measures consistently focus on the main challenges identified for tertiary education in the framework of the European Semester, i.e. high participation coupled with high drop-out rates and the need to ensure academic relevance and excellence.

4. MOBILITY

As regards tertiary education, the Netherlands has an outbound long-term mobility (2.3% of students per year) slightly below the EU average (2.8%), while EU Erasmus programme-based short term-mobility (0.8% of students in 2008/09) is on the EU average.

Almost 8% of primary schools have actively been involved in internationalisation. Pupil exchanges have been common for some time now in the upper years of secondary school (years 4, 5 and 6). A considerable number of pupils in the fourth year of senior secondary general education (HAVO) and years 4 and 5 of pre-university (VWO) education have participated in such exchanges. The number of MBO work placements abroad will be gradually increased. The Netherlands supports the emphasis on learning mobility and is willing to bring its own aims for secondary vocational education into line with the European benchmark, which has yet to be determined. The government has earmarked €10 million for 2011 for incoming and outgoing mobility of outstanding students. Student financing is portable, so that entire degree programmes can be followed abroad, provided that the programmes are of high quality. The government also intends to develop a pilot mobility programme to give teachers in higher education an opportunity to spend time teaching abroad. Teachers will be selected on the basis of excellence. Teacher mobility in primary and secondary education is supported by means of individual grants, and funding is provided through the EU-funded Comenius Programme and the Dutch Promotion of International Orientation and Cooperation Programme.

The Netherlands has been making commendable efforts to promote learning mobility among less-represented groups, such as secondary school pupils and teachers. Given the high participation rates in tertiary education, mobility in this sector could be further strengthened to

help reduce drop-out risk by increasing student motivation and improving the overall quality of learning.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

The Netherlands has an explicit lifelong learning strategy, though its implementation is not captured in one policy document. An inter-ministerial Learning and Working Project Department (PLW) was set up in 2005, with staff from the Ministry of Social Affairs and Employment and the Ministry of Education, Culture and Science, to decide on specific measures to promote adult learning. As regards adult participation in lifelong learning, the Netherlands performs above both the EU average and the 2020 target, although in the last decade there has been limited progress in increasing the rate further. Following a decline in the period 2004–2006, the participation rate is now back to the 2003 level.

PLW built broad regional networks and infrastructure for lifelong learning with the help of a subsidy scheme and completed its task at the end of 2010. Lifelong learning should now become part of the core policy-making of sector departments within the ministries involved, mainly Education and Social Affairs. It remains to be seen how this will affect the results of the Dutch lifelong learning policy and its ambition to increase participation in general, and in particular for some hard-to-reach target groups, such as low-skilled people, older people, jobseekers, and small and medium-sized enterprises. New policy measures focus on awareness-raising and improving procedures to recognise prior learning. To this end, legislation is currently under preparation.

These actions are consistent with the main principles of lifelong learning strategies agreed at EU level, in particular a holistic approach, flexible pathways and partnerships between the different stakeholders. There is still a mismatch between labour market needs and the skills obtained in the Dutch education system, in particular in the VET sector, where there are a relatively high number of vacancies per unemployed person. The government has proposed a new action plan for secondary vocational education (MBO), focusing on skills, covering 2011–2015, presented to Parliament in February 2011. Under this plan, the government assigns overall responsibility for developing and updating the qualification structure to the newly-created Education-Business Alliance. From the 2012/2013 school year onwards, students in vocational training will not have to choose a specific course from the outset, but will first be able to enrol in fields of training containing modules from different courses with related content. It is hoped this measure will help to reduce the number of early school leavers.

Furthermore, once every three years, a comprehensive survey will be carried out to evaluate how satisfied the business community is with the results of the MBO reforms. The findings will be published as a separate section of the annual benchmarking exercise conducted by the Secondary Vocational Education Council. From 2012 onwards, the MBO action plan will provide for a ‘performance kit’ with resources enabling targets to be agreed with individual MBO institutions. It is important that provision be tailored to the needs of business in the region and dovetail with the key economic areas identified in the government’s memorandum on business.

The Ministry of Education, Culture and Science uses various tools to regulate educational provision. The so-called ‘macro-efficiency’ test is designed to ensure that there are not too many graduates in a field for which there is no demand in the Netherlands. In order to stimulate the creation of new jobs, the Ministry has decided that education programmes for

jobs in new areas of the economy have a greater chance of being approved than education programmes leading to traditional jobs.

Overall, these measures are in accordance with the general principles agreed at EU level for better matching of skills needs with labour market requirements.

6. INVESTMENT IN EDUCATION

| | Netherlands | | EU average | |
|---|-------------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 4.96 % | 5.46 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Public investment in education as a percentage of GDP in the Netherlands has increased by half a percentage point since 2000 and is now clearly above the EU average.

Since the onset of the crisis, the Netherlands has adopted reductions in education grants, as well as a wage freeze and a freeze of the general and vocational education budget. In 2011, the government also proposed cutting the budget for government-funded higher education institutions. Considerable changes in funding mechanisms and re-allocation of funds have also been proposed, such as the replacement of scholarships for master's programmes with a social loan system. The overall education policy of the new government is to push education institutions to deliver more quality with the same or less funding, by becoming more efficient and focused, and by concentrating on the primary processes of education. More performance-based funding will be introduced at all levels. Extra money will be given to raise the quality of the primary processes (i.e. education/teaching), while the budget not contributing to the primary processes will be cut.

While recognising the need to focus on efficiency in a context of budgetary restrictions, it would also be important for the Netherlands to continue to actively invest in education, in line with the general recommendations issued at the end of the European Semester, to preserve and/or reinforce economic growth.

7. CONCLUSIONS

The Netherlands has strengthened the implementation of its lifelong learning strategy by setting up new structures ensuring inter- and intra-governmental coordination.

The Netherlands performs well at all levels of education and has set out to raise performance further by improving quality rather than increasing participation, which is already high. This is in line with the challenges identified in the European Semester to ensure academic relevance and excellence. In order to raise long-term student mobility rates, which are below the EU average, the government has earmarked €10 million for incoming and outgoing mobility of outstanding students. In addition to Community instruments, a specific national instrument, BIOS, promotes mobility of teachers in primary and secondary schools. Mobility is thus linked to performance and quality improvement, in line with the Europe 2020 goals.


Should further budget cuts appear to be necessary, a challenge for the Netherlands will be to match them with the general recommendation resulting from the European Semester 2011 for

‘smart’ fiscal consolidation intended to preserve or prioritise growth-enhancing expenditure in sectors such as education and training.

POLAND

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline target and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| POLAND  | | Poland | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 58.3% | 70.9% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 23.2% | 15.0% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 19.8% ⁰⁶ | 20.5% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 17.0% ⁰⁶ | 13.1% ⁰⁹ | 20.2% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 7.4% ⁰¹ | 5.4% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 12.5% | 35.3% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 5.0% ⁰⁴ | 5.3% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹= 2001, ⁰³= 2003, ⁰⁴= 2004, ⁰⁶= 2006, ⁰⁹=2009

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Poland has been carrying out extensive reforms to modernise all levels of its education system and has improved its results in OECD PISA studies. The numbers leaving school early are considerably below the EU average, and higher education attainment is slightly above average. However, the education system faces serious difficulties in providing adequate skills required by the labour market. Skills and jobs mismatches, especially among young people, should be addressed by implementing the proposed effective lifelong learning strategy, reform of the higher education system, linking it better with labour market needs, and further investment in vocational education programmes, targeting the low-skilled and older workers in particular. Work has already started on implementing the National Qualifications Framework on top of the national register of qualifications (scheduled for 2012). A policy document, 'The prospect of Lifelong Learning', is soon to be adopted. The NRP sets out plans for legislative amendments to link education more closely to the needs of the labour market, e.g. by enabling schools to implement training courses preparing to confirm qualifications. The NRP also envisages facilitating the transition from education to first employment and job creation in new, less crisis-prone industries. In addition, Poland is addressing challenges in this area through higher education reform, expected to be implemented in the second half of 2011. The reform is intended to encourage universities to provide more flexible, higher-quality curricula which would reduce the skills mismatch by involving employers in the education process and by strengthening university-business links to ensure an appropriate range of fields of studies that meet labour market needs. Access to tailored and individualised support programmes, including dedicated training and apprenticeship programmes leading to a first vocational experience, is low.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (4)

Implement the proposed lifelong learning strategy, enhance apprenticeships and dedicated vocational training and education programmes for older workers and low-skilled workers. Strengthen links between science and industry by implementing the 'We build on Knowledge' programme ('Budujemy na Wiedzy'). Implement the higher education reform programme 'Partnership for Knowledge' ('Partnerstwo dla Wiedzy') so as to better align educational provision with labour market needs.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Poland is one of the best performers in the EU regarding early school leaving, with a rate of 5.4% in 2010, against an EU average of 14.1%. Poland intends to reduce this rate to 4.5% by 2020.

Poland is undertaking several preventive and compensating measures to tackle early school leaving, such as extending the duration of comprehensive education at the level of lower secondary school to prevent early segregation, or organising training courses and classes for adults who want to improve their education and competences.

As regards preventive measures, Poland will have to put particular emphasis on increasing participation in early childhood education and care. While the rate has increased significantly since 2000, it still is the lowest among the EU Member States (67.5% against EU average of 92.3%). New legislation (2011) aims to simplify the setting up of nurseries, to encourage enterprises to set up nurseries and ensure the legal employment of ‘nannies’. As from the school year 2011/2012, all five-year-olds and from 2014, all four-year-olds will have a guaranteed right to pre-primary education, but the number of public kindergartens and nurseries is currently insufficient and will need to be increased. The state budget will grant financial support to activities implemented by local governments.

To improve *analysis and monitoring*, the modernisation of the SEI (System of Educational Information) decided in 2011 and to be implemented as of 2013, will support the identification of failures to fulfil compulsory pre-primary preparation, compulsory schooling and education.

3.2. Tertiary attainment

The rate of *tertiary education attainment* was 35.3% in 2010, slightly above the EU average of 33.6%. Progress in the period 2000-2009 has been one of the strongest in the EU. The proposed national target to attain 45% by 2020 is an ambitious goal but in accordance with the past trend. In 2008, the share of drop-outs from higher education amounted to 36%.

Poland has made significant progress in increasing the number of *MST graduates*, for which the growth rate has been almost three times the EU average, resulting in a doubling of the number of graduates since 2000. The rise in number is also coupled with a better gender balance. There is, however, scope for a further increase in the number of MST graduates.

The biggest challenges in modernising the higher education system are to ensure that the subjects offered are a better match for the needs of the labour market and to improve the quality of teaching to provide students with the more practical knowledge required by employers that will help them find a first job after graduation. In line with the specific recommendation issued in the framework of the European Semester, Poland is addressing these challenges through higher education reform, which is expected to be implemented in the second half of 2011. The reform is intended to encourage universities to provide more flexible, higher-quality curricula, which would reduce the skills mismatch by involving employers in the education process and by strengthening university-business links in order to ensure an appropriate range of fields of studies meeting labour market needs.

4. MOBILITY

As regards tertiary education, Poland has an outbound long-term mobility (1.8% of students per year) below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.5% of students in 2008/09) is also below the EU average.

Mobility in Poland is mainly financed under the Lifelong Learning Programme, Youth in Action and several national and bilateral programmes. The main barriers identified include lack of language competences and shortcomings in recognition of learning outcomes. These barriers are being addressed by work on the National Qualification Framework and by introducing compulsory foreign language lessons at different educational levels.

The implementation at national level of the principles of cooperation developed in the areas of EQF, EQARF, ECVET and EUROPASS will also be important for reducing barriers to mobility in learning.

These measures consistently address the challenges identified.

To promote the mobility of young people in vocational education in particular, the Ministry of National Education disseminates examples of good practice. This is supported by a special survey on international cooperation and student exchanges between VET schools.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Poland has made progress in developing its lifelong learning strategy. The document named *Lifelong Learning Perspective* is set to be finally adopted by the Council of Ministers before the end of 2011.

As indicated in the outcome of the European Semester, the biggest challenge facing the education and training system, including VET, is to respond better to the needs of the labour market, given the particularly high unemployment rate among young people under the age of 25 (26% in March 2011).

In line with the specific European Semester recommendation, improving the relevance of education and training to the labour market and maximising access to lifelong learning and continuing training, particularly for the low-skilled and for groups at risk such as the unemployed or older workers (the *participation of adults* in lifelong learning is only 5.3%, against the EU average of 9.1%) is on the policy agenda. It would also be beneficial to foster closer partnerships between education/training providers and employers, for example by reinforcing work-based learning in VET, including apprenticeships (starting from first grades) to facilitate the transition of young people from education to work through practical training, and by increasing incentives for employers to take on young workers.

The reform of the VET system is in progress and is expected to be implemented in 2012/2013. Proposed changes include increasing the attractiveness of VET and better matching it with labour market needs. The reform of higher education also aims to ensure closer cooperation and links with employers, in line with the European Semester indications.

Another challenge is to improve guidance services, especially for young people, in both VET and tertiary sectors, to inform them about the prospects of finding a job after graduation in the studies of their choice. Fostering entrepreneurship attitudes at all stages of education and training will also be important.

Poland has also reported several measures to carry out a skills forecast and to use it to shape the education and training on offer nationally and regionally.

6. INVESTMENT IN EDUCATION

| | Poland | | EU average | |
|---|--------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 4.89% | 5.09% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Investment in education has remained stable since 2000 and is close to the EU average, 5.09% versus EU average of 5.07%.

Poland does not report any explicit influence of the crisis on public education budgets or reform in any sector of education. School teacher salaries actually increased by 7% in 2010. Combined with increases in previous years, the overall salary increase for teachers was 30% compared to 2007.

In addition to new curriculum and delivery models, reforms aiming to raise participation in pre-primary and primary education have not been affected by the crisis. The European Social Fund co-finances major reforms of the Polish education system.

The increase in spending on higher education recorded since 2007 (16.8% over four years) was maintained. Moreover, spending on higher education is being rationalised: while maintaining the rate of growth in the level of finance for universities, an additional grant will be awarded to entities promoting academic excellence (*Krajowe Naukowe Ośrodki Wiodące — KNOW — Leading National Scientific Centres*).

The budget for education in 2011 is estimated at 37.2 billion zł (about €9.3 billion), which is 6.3% higher than in 2010 (35 billion zł — €8.75 billion).

Developments observed in the Polish education and training budget are fully consistent with the call for preserving and promoting growth-enhancing investment that resulted from the European Semester 2011.

7. CONCLUSIONS

The document *Lifelong Learning Perspective*, to be adopted in late 2011, and its accompanying Action Plan, represent significant progress towards developing a national lifelong learning strategy as recommended in the framework of the European Semester. The new comprehensive approach can play a key role in fostering human capital development and constitute a guiding principle for all Polish sectoral strategies.


Consistent with the challenges identified during the European Semester, Poland is modernising its vocational training system through a package of proposals set forth in 2011, to be implemented from 2012–13 onwards. This should enable Poland to increase the provision of apprenticeship places, and to promote dedicated vocational training aimed at developing the skills of both the older and the unskilled workforce.

Poland is also implementing a new higher education reform adopted in 2010, intended to reduce skills mismatches, in line with the European Semester recommendation, by introducing a novel approach based on learning outcomes, which is consistent with the objectives of the European Qualifications Framework (EQF).

PORTUGAL

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline target and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| PORTUGAL  | | Portugal | | EU average | | EU Benchmarks | |
|---|---------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 78.9% | 88.2% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading (18 EU countries) | 26.3% | 17.6% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Maths (25 EU countries) | 30.7 ⁰⁶ | 23.7% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science (25 EU countries) | 24.5 ⁰⁶ | 16.5% ⁰⁹ | 20.2% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 43.6% | 28.7% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 11.3% | 23.5% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 4.3% ⁰⁴ p | 5.8% ^p | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰⁴= 2004, ⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Implement the measures as laid down in Implementing Decision 2011/344/EU and further specified in the Memorandum of Understanding of 17 May 2011 and its subsequent supplements.

Agreements under the Memorandum of Understanding on Specific Economic Policy Conditionality, 17 May 2011

Education and training

4.10. The Government will continue action to tackle low educational attainment and early school leaving and to improve the quality of secondary education and vocational education and training, with a view to increasing efficiency in the education sector, raise the quality of human capital and facilitate labour market matching. To this purpose, the Government will:

i. Set up an analysis, monitoring, assessment and reporting system in order to accurately evaluate the results and impacts of education and training policies, notably plans already implemented (concerning cost saving measures, vocational education and training and policies to improve school results and contain early school leaving). [Q4-2011]

ii. Present an action plan to improve the quality of secondary education services including via: (i) the generalisation of trust agreements between the Government and public schools, establishing wide autonomy, a simple formula-based funding framework comprising performance evolution criteria, and accountability; (ii) a simple result-oriented financing framework for professional and private schools in association agreements based on fixed per-class funding plus incentives linked to performance criteria; (iv) a reinforced supervisory role of the General Inspectorate. [Q1-2012]

iii. Present an action plan aimed at (i) ensuring the quality, attractiveness and labour market relevance of vocational education and training through partnerships with companies or other stakeholders; (ii) enhancing career guidance mechanisms for prospective students in vocational educational training. [Q1-2012]

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

The current rate of early school leaving (2010) at 28.7% is the second highest in the EU (average 14.1%). However, Portugal has shown a rapid improvement on this indicator over the last decade (43.6% in 2000 and 31.2% in 2009). Nevertheless, it continues to be a major structural weakness of the national education system.

Portugal has set an ambitious national target to cut the rate of early school leaving to 10% by 2020, with an interim target of 15% in 2014. It proposes the following intermediate targets: 27% in 2011, 23% in 2012 and 19% in 2013.

The authorities say progress relies on a number of ongoing measures implemented in the last few years and should be continued with a view to attaining the national target. These measures include the diversification of supply at secondary level, the implementation of projects to prevent and correct low achievement and school drop-out, and the reorganisation of the schools network, contributing to improving pupils' integration across education cycles. Particular emphasis is now put on the Education 2015 Programme to commit schools and

schools clusters to achieving the national objectives of improving students' basic skills in mathematics and Portuguese, and reducing grade retention rates and early school leaving. The 'New Opportunities' initiative, which has improved the availability of vocational training in basic and secondary education, supports the reorganisation of education and training guidance services to be implemented over the school year 2011/2012. Finally, the extension of compulsory education to the age of 18, adopted in 2009, complemented by financial support to low income families, will likely contribute to raising the rate of secondary education completion as from 2013/2014.

The newly-elected government has indicated that several policy changes should be implemented in the short to medium term. However, there is no indication of change in the national target of 10% early school leavers in 2020, which is in line with the commitment to reduce early school leaving under the Memorandum of Understanding. It is therefore essential to ensure swift implementation of measures, accompanied by close monitoring of their effects.

3.2. Tertiary attainment

While the current rate of tertiary attainment (2010) at 23.5% is still below the EU average (33.6%), Portugal has made significant progress since 2000 (11.3%). Portugal also made strong progress in increasing the number of maths, science and technology graduates and now stands above the 2010 EU benchmark level.

Portugal has set a national target of 40% tertiary graduates by 2020 and an intermediate target of 30% for 2014.

The National Reform Programme emphasises Portugal's renewed and more diversified framework for higher education open to new layers of society. Between 2005 and 2009, the proportion of the population aged 20 enrolled in higher education increased by 19%, the number of students over the age of 23 enrolled for the first time in higher education increased 11 times and the number of graduates increased by 20%, which was accompanied by a more specialised scientific base.

Ongoing measures expected to contribute to attaining the national target include extending compulsory education to the age of 18; the Confidence Contract signed in 2010 by the government and all public universities, polytechnics and higher education institutions aiming to provide the labour market with an additional 100 000 graduates in four years; the increase in the supply of EQF level 5 technical specialisation courses; extension of the distance learning supply network, aiming at multiplying by four the number of students enrolled; the increase in the supply of professionally-oriented Master's degrees to attract 30 000 new students in the next four years; the progressive integration of young people following a New Opportunities pathway; the implementation of new conditions for access to higher education for those over the age of 23; and finally the quality assurance action of the Agency for the Evaluation and Accreditation of Higher Education. Development Programmes signed in 2010 under the Confidence Contract guaranteed availability of the necessary funding for higher education institutions, while in return, institutions made a commitment to implement austerity measures and to optimise resources.

Recent developments in the socio-economic situation may have an adverse effect in the attainment of the national target and will require close monitoring of the measures adopted, in particular the implementation of the Confidence Contract.

4. MOBILITY

Portugal has implemented several measures to promote outgoing/incoming learning mobility of students in various education sectors. Regarding pre-school and school education, Portugal has relied mainly on the transnational mobility actions supported by the Lifelong Learning Programme. Regarding virtual mobility, besides eTwinning, there was also emphasis on the International Network of European Clubs for schools, a Portuguese initiative covering about 25 countries and intended to promote knowledge about the EU and cooperation among students.

In the field of vocational education and training, to facilitate the mobility of citizens within the EU, the Instituto do Emprego e Formação Profissional provides information on the education and training system, the National System for the Recognition, Validation and Certification of Competences and the Portuguese Professions Framework. The Youth in Action Programme has contributed support to a wide number of projects promoting informal and non-formal learning mobility through youth exchanges, transnational youth initiatives, voluntary activities abroad and youth exchanges with neighbouring partner countries. The 'INOV Programme' facilitates and promotes the international mobility of young graduates, providing internships in enterprises and international organisations.

Under the Confidence Contract, higher education institutions made a commitment to invest in internationalisation, and a number of strategic alliances with internationally renowned institutions have already been established. It is also worth mentioning that low-income students now receive Erasmus grants that are 50% higher, and that the loan system for higher education student mobility established in 2007 supported more than 14 000 students in December 2010. Regarding learning mobility of teachers and other higher education staff, bursaries provided by the Foundation for Science and Technology allow beneficiaries to acquire knowledge and experience abroad. Also, the Welcome II Programme under the Marie Curie Action has supported the recruitment of European researchers to work in Portuguese institutions.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

In Portugal, the lifelong learning approach has become an integrated element across the entire framework that governs the education and training sector, although there is no formal single document setting out a lifelong learning strategy. Efforts to modernise and reform the education and training system include the development of the National Qualifications System, including the RVCC process, the implementation of the 'New Opportunities' initiative, and various interventions in pre-primary, basic, secondary and higher education. In particular, pre-primary education has been extended to all children aged between three and five, with universal access provided for five-year-olds. Significant improvements were made during the period 2000–2009. Nevertheless, Portugal still performs below the EU average in this area.

Progress made since 2005 under the 'New Opportunities' initiative can be summarised as follows: (i) around 50% of students enrolled in secondary education follow a vocational pathway; (ii) around 1 million active workers were or are involved in qualification processes with the support of European Structural Funds; and (iii) the ongoing implementation of a system ensuring the integrated management of education and training offers, as well as permeability between different education and training modalities. Access to higher education for those over the age of 23 and the availability of more Technical Specialisation Courses have also contributed to strengthening the lifelong learning dimension.

Recent initiatives to improve skills forecasting include: (i) the functioning of the Sectoral Councils for Qualification, whose main aim is to identify updating needs relative to the National Qualifications Catalogue; (ii) preparatory work to develop a national system for the forecasting of skills and competences; and (iii) the action of the working group¹³ with the objective of identifying 100 professions with strategic importance for developing the Portuguese economy, for which new training schemes will be provided, especially to ensure the retraining of the unemployed.

The government intends to make an in-depth assessment of the ‘New Opportunities’ initiative which may bring changes in policy regarding skills and qualifications. However, there should be continued strong emphasis on developing the National Qualifications System, as well as on ensuring the quality, attractiveness and labour market relevance of vocational education and training.

6. INVESTMENT IN EDUCATION

| | Portugal | | EU average | |
|---|----------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 5.42% | 4.89% | 4.88% | 5.07% |

Source: Eurostat (UOE)

On *investment in education* as a percentage of GDP, Portugal is performing below the EU average, as spending levels have been declining slightly since 2000 and investment rates are likely to decrease, due to budget cuts adopted and further fiscal consolidation measures included in the agreement on an Economic Adjustment Programme for 2011–14 signed with the joint mission of the Commission, the International Monetary Fund (IMF), and the European Central Bank (ECB).

The Ministry of Education budget for 2011 was cut by 8.3% compared with 2010 and by 9.2% compared with 2009. The Ministry of Science Technology and Higher Education budget was also subject to an overall reduction.

Measures to achieve savings in basic and secondary education include reductions in wages common to all public administration officials earning more than EUR 1 500 a month, the freezing of career progression for teachers and other school staff, the review of remuneration criteria for management posts, changes in criteria for the allocation of social benefits for pupils and students, and the review of criteria for the public subsidising of private and cooperative schools.

Following the signature of the Memorandum of Understanding supporting international financial assistance from the European Union and the IMF, Portugal made a commitment to reduce costs in education, with the aim of saving EUR 195 million by rationalising the school network through the creation of schools clusters, lowering staff needs, centralising procurement and rationalising transfers to private schools in association agreements.

¹³ Set up under the Initiative for Competitiveness and Employment.

7. CONCLUSIONS


With a view to improving the quality of the education and training system, Portugal is taking measures to tackle early school leaving and low educational attainment. Measures include the diversification of supply at secondary level, the reorganisation of the schools network and the implementation of specific projects addressing low achievement at school. The Education 2015 Programme has the potential to provide the right framework for better coordinated measures in this area.

Portugal should also continue with its efforts to make its education and training system, particularly its vocational training system, better adapted to the needs of the labour market. Enhancing career guidance services remains an issue to be addressed.

ROMANIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| ROMANIA  | | Romania | | EU average | | EU benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 67.6 % | 82.3% ⁰⁹ | 85.2 % | 91.7% ⁰ ₉ | | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 41.3 % | 40.4% ⁰⁹ | 21.3 % | 20.0% ⁰ ₉ | 17.0 % | 15 % |
| | Mathematics | 52.7% ⁰⁶ | 47.0% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰ ₉ | - | 15 % |
| | Science | 46.9% ⁰⁶ | 41.4% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰ ₉ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 22.9 % | 18.4 % | 16.0 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 8.9 % | 18.1 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4-week period) | | 1.4 % ⁰⁴ | 1.3 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹ = 2001, ⁰³ = 2003, ⁰⁶ = 2006, ⁰⁷ = 2007, ⁰⁸ = 2008, ⁰⁹ = 2009, e = estimate, b = break, p = provisional

PISA: reading: 18 EU countries; maths and science: 25 EU countries

'EU benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Implement the measures laid down in Council Decision 2009/459/EC, as amended by Council Decision 2010/183/EU, together with the measures laid down in Council Decision 2011/288/EU and further specified in the Memorandum of Understanding of 23 June 2009 and its subsequent supplements and in the Memorandum of Understanding of 29 June 2011 and its subsequent supplements.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Romania is implementing an ambitious reform under the new Education Law at all levels of education. Nevertheless, the challenge of early school leaving is not addressed explicitly in the reform. With only 14.6% of early school leavers employed one year after finishing their studies, compared with 35% of secondary and 60.9% of tertiary graduates,¹⁴ early school leaving is a major cause of unemployment, feeding a vicious circle of poverty and educational under-achievement.

At 18.4% in 2010, Romania has an early school leaving rate above the EU average and is one of the few Member States where early school leaving has increased during the last three years, undermining some of the progress in the previous decade. Furthermore, the increasing ESL rate is coupled with poor basic skills, with more than 2 in 5 pupils among 15 year-olds classified as low achievers according to PISA. The main cause of early school leaving is poverty, and its incidence is significantly higher in rural areas, where the barriers to access to upper secondary education are biggest, and among the Roma population.

Romania has no coherent system for collecting data on and monitoring early school leaving and is not using evidence-based policies. Recent progress in improving data availability in this area should be continued and consolidated. The main priority target groups for measures against early school leaving are young people from rural and disadvantaged areas, of Roma origin or with special educational needs, with a focus on lower secondary education and vocational training.

The main measures addressing early school leaving include improving the quality and availability of early childhood education and care, providing support for students from disadvantaged areas and for developing vocational education and training and continuing to develop second-chance educational provision. A number of measures planned in the new Education Law, such as postponing tracking, lengthening lower secondary education and introducing after-school programmes, can also contribute to addressing early school leaving. Other measures, such as the introduction of per-capita financing, the planned decentralisation of pre-university education and the consolidation of the school network, would need to be managed carefully.

Overall, there is a need to consolidate all existing programmes in order to identify a few priority measures, adequately budgeted and based on clear identification and monitoring of the groups at risk of early school leaving. Although early school leaving is one of the

¹⁴ <http://www.eurofound.europa.eu/ewco/2010/02/RO1002019I.htm>.

priorities for European Social Fund in Romania, these resources have been insufficiently accessed so far.

3.2. Tertiary attainment

The expansion of tertiary education needs to continue in order to match the requirements of a competitive economy. At 18.1% in 2010, Romania still has the lowest tertiary attainment in the EU, despite doubling graduation rates during the last decade. In recent years enrolment and completion rates have been on a downward trend. Participation in tertiary education by students from urban areas is double the rate for rural areas. Attracting more students from lower-income families, particularly from rural areas, remains a big challenge.

Furthermore, high youth unemployment among tertiary graduates reveals wide gaps in the quality of tertiary education and mismatches between tertiary offers and labour market needs, which will create a major bottleneck once economic growth resumes. Current efforts in this area should be continued, particularly using the tracer studies in the pipeline. Additional levers for influencing the education offered by tertiary institutions can be identified.

One area in which Romania has made progress is the increase in maths, science and technology graduates, where the growth rate has been above the EU average and the gender balance has also improved.

The national report mentions a number of measures planned, such as free tuition for students from disadvantaged backgrounds or the introduction of a study loan programme, which could give low-income students better access to tertiary education. While raising the attainment rate, the government also needs to continue its efforts to improve the quality of tertiary education and align it to the needs of the labour market.

4. MOBILITY

As regards tertiary education, Romania has an outbound long-term mobility (2.0% of students per year) below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.3% of students in 2008/09) is also clearly below the EU average.

The new Education Law encourages all learning mobility, and particularly for future teachers and doctoral and post-doctoral students. Learning mobility for these two target groups is also supported from structural funds. As insufficient funding has been identified as one of the main barriers, the planned study loan agency could contribute to increasing learning mobility.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Adult participation in lifelong learning in Romania remains stagnant at very low levels (1.3% in 2010). The adoption of a Lifelong Learning Strategy, continuing progress towards the national qualifications framework, the revision of the occupations classification and the planned revision of the legislative framework in the sector of adult education should be accompanied by programmes stimulating participation in lifelong learning. Although the NRP mentions programmes and/or projects to stimulate continuing vocational training for employees and to involve social partners in order to correlate the education and training systems with trends on the labour markets, further incentives for employers engaging in continuing vocational training and closer integration with active labour market policies are needed to scale up participation, particularly by low-skilled adults.

Considerable progress has been made in the area of skills forecasting, with a number of initiatives at local, regional and sectoral levels. At regional and local levels, structural funds are financing a number of schemes on integration of graduates into the labour market, skills forecasting and strategic planning of the vocational education offer. A number of structural funds projects are aiming to reinforce the school guidance network.

6. INVESTMENT IN EDUCATION

| | Romania | | EU average | |
|--|---------|---------------------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 2.86% | 4.25% ⁰⁷ | 4.86% | 5.07% |

Source: Eurostat (UOE)

⁰⁷ = 2007

As regards investment in education, Romania considerably improved spending levels between 2000 and 2007 in both absolute and relative terms, but is still below the EU average.

Under the Education Law, education should receive 6% of GDP, but recent budgets were probably much lower. In general, the economic crisis between 2009 and 2011 had a negative effect on the education budget. Teachers' and education staff salaries were cut by 25% starting with July 2010, and this was only partially offset in January 2011.

Romania aims to attract additional funding from the structural funds in the next period. This is crucial considering the current low absorption rate for the ESF and the current budgetary constraints. Strengthening administrative capacity in the education sector is crucial for better accessing structural funds.

7. CONCLUSIONS

The main policy challenge for Romania is to improve the quality of the education and training system. The recent rise in early school leaving rates combined with poor basic skills, as indicated by PISA, are at the root of skill mismatches on the labour market. The ambitious education reform agenda implemented via the new education law includes relevant reforms, such as improving the quality of early childhood education and care, and postponing early tracking, but it should be reinforced by streamlining and broadening programmes for student support.


Current efforts to better align higher education offer to labour market needs should be sustained, and additional reforms are necessary for broadening access to higher education. A broader offer of tuition-free places for disadvantaged students or study loan programmes could open access for low income students.

Finally, increasing adult participation in lifelong learning is crucial, particularly for the low-skilled. This requires additional fiscal and financial incentives. Not only the long-term competitiveness but also the economic recovery risks otherwise to be constrained by the inadequate skills levels of the work force.

SLOVAKIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| SLOVAKIA  | | Slovakia | | EU average | | EU benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 76.1% | 77.9% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 27.8% | 22.3% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 20.9% ⁰⁶ | 21.0% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 20.2% ⁰⁶ | 19.3% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 6.7% ⁰² | 4.7% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 10.6% | 22.1% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4-week period) | | 3.7% ⁰³ | 2.8% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰² = 2002, ⁰³ = 2003, ⁰⁶ = 2006, ⁰⁷ = 2007, ⁰⁸ = 2008, ⁰⁹ = 2009, e = estimate, b = break, p = provisional

PISA: reading: 18 EU countries; maths and science: 25 EU countries

'EU benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

By means of the 2020 targets, the NRP establishes a longer-term vision for the necessary modernisation of the Slovak economy, i.e. recognising the importance of education and R&D and the need to increase the employment participation rate and strengthen social inclusion.

The high prevalence of skills mismatches is another distinctive feature of the Slovak labour market.

A number of measures are planned to improve the relevance of school education and vocational education and training to labour market needs. The government has also set a target for the basic competences assessed by the Programme for International Student Assessment (PISA) and plans to increase investment in school infrastructure, particularly in information and communication technology (ICT). Other plans aim to reduce the administrative burden within schools and to introduce school quality assessment systems and work-based learning schemes in vocational education and training (VET). Overall, a comprehensive package of reforms has been launched to tackle the skills mismatches on the labour market with the aid of better education and training.

Plans to review the adult learning and continuing VET system are another positive development, as a recent law on this subject does not respond to the challenges adequately. Although the new plans have some positive aspects, they do not appear to put forward any incentives to boost adult participation in lifelong learning, which remains one of the lowest in the EU (2.8% against the EU average of 9.3% in 2009).

The trade balance remains negative and high-tech exports have a large content of high-tech imports, suggesting that considerable scope remains for expansion of the higher value-added sectors. One basic prerequisite, however, is an appropriately skilled workforce that could be employed in those sectors. Against this background, most indicators on the degree of innovation capacity in the Slovak economy are weak or very weak (e.g. R&D spending, spending on and quality of tertiary education, number of patents, etc.) and several even deteriorated over the last decade. Tertiary education attainment remains low (17.6%), well below the EU average (32.3%). The quality of tertiary education in particular remains an issue, as suggested by a variety of indicators (university rankings, number of international publications, low attraction of students from abroad, etc.) and the relatively high proportion of students studying abroad despite free tertiary education being provided at home.

Reforms proposed in higher education tackle many of the current problems; however, much will depend on implementation. Slovakia has set an ambitious target of 40% tertiary education attainment, which is in line with the Europe 2020 headline target. The NRP, however, provides no information on how it will be achieved. Given the current figures, a considerable effort will be required to secure a high completion rate for current students and to attract people already on the labour market into higher education. Greater investment in higher education and closer cooperation with businesses (including on design of curricula) to increase its relevance to the labour market are also instruments to develop a well-functioning knowledge triangle (education, research and innovation), to make private and public investment in R&D more effective and more attractive and progressively to build the innovation capacity of the Slovak economy. Against this background, higher education institutions that focus on supporting not only outgoing but also incoming students and researchers would promote mobility conducive to high-quality education and research.

Overall, the consolidation strategy does not sufficiently safeguard growth-enhancing expenditure, including on transport infrastructure and education.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation 1

(...) safeguard growth-enhancing expenditure and use available room to increase revenue through environmental and property taxes and by increasing the efficiency of VAT collection.

Recommendation 5

Speed up the implementation of planned education, vocational education and training reforms and take steps to improve the quality of higher education and its relevance to market needs. Develop a framework of incentives for both individuals and employers to encourage participation of the low-skilled in lifelong learning.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Slovakia is the top performer in the area of early school leaving (4.7% in 2010). The target set for 2020 (6%) takes into account the expected increase in the proportion of marginalised Roma children who are at higher risk of not completing secondary education.

However, this best performance in terms of the share of pupils leaving school early is coupled with average results in terms of the quality of education. According to the OECD's PISA survey, school education is dominated not only by average performance but also by great differences between the best-performing and poor-performing schools. In this regard, the Slovak government has set the target that, while maintaining the drop-out rate at 6%, the quality of primary education should be improved (average score of 505 in PISA by 2018).

Both the National Reform Programme and the ET 2020 national report acknowledge the importance of integrating the marginalised Roma population in order to keep the early school leaving rate low. The government will assess the role of special schools (where most Roma children are placed), increase the number of specialised education staff and pedagogical assistants and improve access to VET for disadvantaged groups. The government will strengthen both pre-primary education in kindergartens and the 'class zero' system to prepare children from marginalised communities for school.

Slovakia will launch a central register of pupils and children in order to gather statistics, including on early school leaving. It will also put in place a school quality assessment system with a new integrated system of internal and external evaluations aiming at improving school management.

One important factor to prevent early school leaving is the possibility for early school leavers who do not finish compulsory school to continue their studies at a secondary vocational school in a two-year vocational programme. At the same time, they have a chance to complete courses required for compulsory education. Any individual who has dropped out of compulsory attendance at primary or secondary school has a second chance to complete primary school, at any time, by taking up the educational course and continuing his or her studies at any secondary school. Pupils who suspend their studies at secondary school have the possibility to complete their secondary education at a later date, by following full-time or part-time (external) forms of study.

3.2. Tertiary attainment

Despite the progress made since 2000 (10.6%), Slovakia still has a low tertiary attainment rate with 22.1% compared with the European average of 33.6% in 2010. Both the National Reform Programme and the ET 2020 national report give priority to increasing to 40% the share of the population aged 30–34 years with tertiary educational attainment or equivalent. This ambitious target is in line with the Europe 2020 headline target. However, the reports give no information on how this figure will be achieved.

Slovakia's main instruments to increase participation in tertiary education, particularly by under-represented groups, are the grants for socially disadvantaged students and students with disabilities. Besides these, every student in Slovakia can apply for a (low-interest) loan from the National Student Loan Fund.

In addition to the low attainment rate, quality remains an issue, as suggested by a number of indicators, such as university rankings, and by the relatively high share of students choosing to study abroad. Improving the quality of higher education, as called for in the Council Recommendation adopted in the framework of the first European Semester, should be given priority in the years ahead. As higher education is suffering from low investment with negative consequences for quality, the measures planned in the areas of accreditation and quality assurance and of institutional financing are the first steps in the right direction. Slovakia also intends to put greater emphasis on research and on excellence in higher education and to encourage closer cooperation between universities and businesses, making higher education more relevant to the needs of the labour market. To this end, an information system is planned which would show both the demand for certain professions and the levels of the salaries.

4. MOBILITY

As regards tertiary education, Slovakia has an outbound long-term mobility (10.7% of students per year) clearly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.7% of students in 2008/09) is slightly below the EU average.

Learning mobility for pupils, trainees, students, learners and also education staff is mainly supported by the Lifelong Learning Programme. The LLP funds are being topped up by national co-financing (EUR 760 000 annually). Other national instruments (including internet information portals) are in place.

The national grant programme is targeted at supporting outgoing and incoming mobility of students, PhD students, higher education staff and researchers (annual budget of EUR 900 000).

A new act, adopted in 2009, on pedagogic and vocational employees should facilitate mobility of teachers and validation of learning acquired abroad.

Slovakia is trying to promote mobility by making greater use of Europass, increasing the number of study programmes in English in Slovakia and tightening cooperation with regional authorities.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Slovakia adopted its Lifelong Learning Strategy in 2007, followed by a specific Law on Lifelong Learning. This law establishes the basis for implementation of the national system of qualifications, the national qualifications framework and the system for validation of non-

formal and informal learning, together with the system for monitoring skills needs. The law neither defines any specific set of financial incentives for promoting lifelong learning nor provides any incentives to boost participation.

Meanwhile, according to Eurostat's Labour Force Survey (LFS), participation in lifelong learning in Slovakia is amongst the lowest in the EU (2.8% against the EU average of 9.1% in 2010). This is particularly critical for the low-skilled who are the hardest hit on the labour market, especially during economic downturns, as highlighted in the Commission Staff Working Document accompanying the Council Recommendation on the European Semester. The statistics show that Slovakia has the lowest employment rate for low-skilled people in the EU (14.3% in 2009 compared with the EU average of 46.2%), which suggests that they have very limited access to the labour market without further training.

The Lifelong Learning Strategy focuses mainly on education and training for the adult population by introducing mechanisms for validating non-formal learning, information and guidance systems and participation in OECD's PIAAC programme. Part of the strategy is the lifelong guidance strategy which will be reviewed to respond to changing skills requirements on the labour market and to improve the information and guidance services to individuals via a network of career guidance centres. Timely revision of the strategy is crucial, as the current split of guidance services — one provided by public employment services and one provided by the education system — seems to create inefficiencies and contributes indirectly to skills mismatches.

Recent reforms focused on VET and its relevance to labour market needs, including creation of skills councils at national, regional and sectoral levels. Among other tasks, these councils are involved in defining qualifications standards and developing the national system of qualifications. With the aim of improving their relevance to the labour market, the government also plans to introduce work-based learning schemes in VET. However, there is a risk that the planned system of forecasting skills needs could become a tool used only for the purpose of lifelong learning and retraining of the adult population, in particular the unemployed.

6. INVESTMENT IN EDUCATION

| | Slovakia | | EU average | |
|--|----------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 3.93 % | 3.59 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Investment in education, as a percentage of GDP, has decreased since 2000, whereas it has risen in the EU as a whole. Slovakia is therefore lagging behind the EU average and the gap has become wider. The low level of investment has negative consequences on the quality of the education and training system, both because it does not attract a critical mass of talents to the teaching profession and because it has insufficient means to modernise the infrastructure of the institutions.

The crisis has had a negative effect on public investment in education. After 2009, when the budget was increased by 9% compared with 2008, there were decreases of 0.5% in 2010 and of 4% in 2011. This same level of expenditure is also planned for 2012 and 2013.

Investment in higher education followed the generally negative trend. In 2009 there was an increase of 9.5% compared with 2008, but this was followed by a decrease of 4% in 2010. This same level of expenditure is also expected in 2011 and 2012.

Structural funds are a major source of funding for the whole education and training system in Slovakia.

Overall, as identified in the framework of the European Semester, the challenge is still to make sure that budgetary consolidation safeguards and even increases growth-enhancing expenditure, such as on education.


7. CONCLUSIONS

The planned education and training reforms provide an opportunity to respond to the manifold challenges by taking speedy measures on both vocational education and training and tertiary education. To improve the quality of higher education, the planned measures focus on financing, quality assurance and labour market relevance. Reforms in VET will focus on skills mismatches and better forecasting. Increasing adult participation in lifelong learning remains a big challenge: efforts need to be redoubled, in particular with regard to the low-skilled. Finally, implementation of the reforms needs to be accompanied by adequate financing and investment, in line with the outcome of the European Semester.

SLOVENIA

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| SLOVENIA  | | Slovenia | | EU average | | EU benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 85.2% | 91.3% ⁰⁹ | 85.2% | 91.7% | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 16.5% ⁰⁶ | 16.5% ⁰⁶ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 17.7% ⁰⁶ | 20.3% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 13.9% ⁰⁶ | 14.8% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 6.4% ⁰¹ | 5.0% u, p | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 18.5% | 34.8% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4-week period) | | 13.3% ⁰³ | 16.2% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹ = 2001, ⁰³ = 2003, ⁰⁶ = 2006 ⁰⁸ = 2008, ⁰⁹ = 2009, p = provisional, u = unreliable

PISA: reading: 18 EU countries; maths and science: 25 EU countries

'EU benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Slovenia already has a very low rate of early school leaving (5% compared with the EU average of 14%) and a rather good rate of tertiary education attainment (34.8% against the EU average of 33.6%). The target for 2020 is to maintain these results and increase the higher education attainment rate further. The NRP also envisages intensive investment in training to improve key skills and employability, with the aim of reducing skills mismatches. It also describes plans to improve pathways from education to the labour market, with a focus on providing career guidance services throughout the education system. Within higher education, policy efforts are being geared to shortening the average number of years of study, increasing the proportion of graduates and strengthening the vocational element. The Scholarship Act has been amended (it is currently going through the parliamentary procedure) with the aim of improving links between educational institutions and employers, particularly with a view to targeting deficit professions, in the light of rising graduate unemployment. Finally, there are plans to modernise the employment service with the objective of matching the supply of skills to labour market needs better. However, the NRP contains no plans to improve the system to identify current and projected labour market needs in a timely manner. Currently, the public employment service provides only a partial picture of the skills required by employers, without any forward-looking element in the form of improved career guidance and human capital investment.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation 2

Increase the employment rate of older workers through later retirement, and by further developing active labour market policies and lifelong learning measures.

Recommendation 5

Set up a system to forecast skills and competencies needed to achieve a responsive labour market. Evaluate the effectiveness of the public employment service, notably on career guidance and counselling services, to improve the matching of skills with labour market needs.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

With an early school leaving rate of 5% in 2010, Slovenia is one of the best performers in the EU (EU average: 14.1%). Its target is to keep the rate at 5% up to 2020. Slovenian pupils achieve relatively high scores in international achievement tests (PISA and PIRLS), which suggests that the good quantitative performance is coupled with good-quality education.

Nevertheless, despite the favourable data, Slovenia recognises that measures are needed to prevent drop-outs or to mitigate and reduce them when they nevertheless occur. Measures are therefore focusing on prevention, intervention and compensation. The Elementary School Act provides for the following prevention and intervention measures: remedial classes for pupils with learning disabilities, supplementary education for children whose native language is not Slovene, education of children with special needs, additional professional and learning

assistance, along with the possibility of extending pupil status for two years following the nine-year basic education.

Compensation measures include various short vocational education and training programmes offered particularly to young adults. The network of Lifelong Learning Centres formed in 2008 and funded by the European Social Fund provide a means of moving education closer to the individual's home, opening education to the wider environment and interconnecting the numerous educational organisations that offer formal and informal education and training programmes.

3.2. Tertiary attainment

There has been considerable progress with the tertiary or equivalent attainment rate (34.8% in 2010) which is above the EU average of 33.6%. Moreover, the attainment rate of young people is significantly higher than that of older workers. The situation is set to improve further as overall entry rates into tertiary programmes are rather high. Slovenia has set the target of increasing the level of tertiary education from 34.8% of the younger generation in 2010 to 40% by 2020 so as to meet the needs both of the labour market and of society at large.

As for the number of graduates in maths, science and technology (MST) graduates, the growth rate has been well below the EU average, although the number of graduates has increased by 15.4% in Slovenia. The share of female graduates has not yet reached the EU average. The overall share of MST graduates (24%) is still relatively low, despite favourable employment opportunities and projected new job openings in these fields.

With the numbers in enrolling generations decreasing, the number of places available has exceeded the number of acceptances for entry into the higher education programmes for several successive years. Therefore, the higher education offer is no obstacle to inclusion of younger generations in tertiary education. Free regular study in the first and second cycles and numerous forms of indirect support for students (scholarships, health insurance, subsidised accommodation, meals and transport, tax relief for student work, etc.) further stimulate or clear the way for studies. The new financing system adopted in 2011 enables higher education institutions to obtain funds for special measures aimed at increasing access to higher education.

Despite the rising graduation rates, the system shows some signs of inefficiency. Tertiary education suffers from a high drop-out rate with only around 65% of those entering finishing their studies. In addition, students take more than six years, on average, to complete their studies at undergraduate level which is one of the longest times among OECD countries. These long studies are partly due to high repetition rates. As also highlighted in the Commission Staff Working Document adopted in the framework of the first European Semester, since this long duration of tertiary studies also has a negative impact on employment prospects, policy efforts geared to shortening the average number of years spent in tertiary education are justified.

To modernise higher education, special attention is being paid to implementation of the new National Higher Education Programme for 2011–2020 that covers all tertiary education and includes both higher education institutions and vocational colleges. The National Programme addresses the link between education and science, cultural policy and business; as such, it has the potential to contribute to the quality and efficiency of higher education and excellence in research. The main objectives of the National Programme include creation of structural partnerships between higher education institutions and the business community, international mobility, fair access to higher education and unimpeded completion of studies.

4. MOBILITY

As regards tertiary education, Slovenia has an outbound long-term mobility (2.1% of students per year) below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.0% of students in 2008/09) is above the EU average.

The majority of learning mobility in Slovenia is supported by the Vseživljenjsko učenje (Lifelong Learning) and Mladi v akciji (Youth in Action) European Action Programmes. There are also some national schemes to support learning mobility that are financed from national funds on the basis of annual calls for tender, which are mostly intended for students at tertiary level for study programmes that are rare or not available in Slovenia.

The Lifelong Learning Programme is the basic measure to promote learning mobility for education staff, Comenius for teachers, headmasters and future teachers, Erasmus for teaching staff in higher education, Leonardo da Vinci for professionals in the vocational education and training system and Grundtvig for adult education professionals.

The major obstacle is still recognition of knowledge gained from learning mobility. In addition, some students from a lower socio-economic background cannot afford to engage in mobility.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Slovenia adopted a comprehensive Lifelong Learning Strategy in 2007. The cornerstones are improving the quality of education and training by updating the programmes, curricula and knowledge maps, developing educational and learning strategies, improving access to education, recognising the knowledge gained and strengthening research and cooperation with non-governmental institutions and social partners.

While the strategy itself is built on the concept of learning from cradle to grave, currently two areas are receiving special attention and funding: pre-school education and adult education. In the case of pre-school education, the focus is on ensuring permanent high-quality pre-school education and access, in particular in areas with high migration, while in adult education it is on offering further training to enter or re-enter the labour market.

Slovenia has made progress on developing a national qualifications framework. These developments have been coupled with continuing reforms in vocational education and training. The focus is on recognition of non-formally acquired knowledge and skills, better inclusion of key competences in the education system and stronger use of instruments such as Europass, the EQF, ECVET and EQARF.

Making vocational education and training more attractive remains a challenge. The change in the structure of post-secondary education reflects declining interest in vocational upper secondary programmes, which is creating a skills deficit in the labour market. Slovenia therefore plans to increase the number of study programmes and professional standards for which students can obtain skills and professional qualifications in post-secondary programmes. Further investment in training, as announced in the country's National Reform Programme, with the aim of improving skills and, consequently, long-term employability should remain a priority.

Development of career guidance and counselling services has been high on the policy agenda since the end of the 90s. Implementation of the Labour Market Regulation Act of January 2011, which puts particular emphasis on guidance and counselling, is a step forward. In response to the need for better matching of skills to the demands of the labour market,

Slovenia is currently making efforts to introduce career guidance services in the whole cycle of education and to provide information on future professional careers.

6. INVESTMENT IN EDUCATION

| | Slovenia | | EU average | |
|--|---------------------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education, % of GDP | 5.89% ⁰¹ | 5.22 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Investment in education in Slovenia is above the EU average. Although Slovenia was among the EU countries hit hardest by the economic crisis in terms of real GDP, so far education and training have maintained the same level of funding as before the crisis. Funding for research and higher education has increased.

In 2008, public expenditure by the state and municipalities on formal education in Slovenia totalled EUR 1937.8 million or 5.19% of GDP¹⁵, of which 2.35% was intended for primary education, 1.15% for secondary education and 1.21% for tertiary education.

Almost half (45.2%) of the funds for formal education were earmarked for primary education, 23.3% for tertiary, just over one fifth (22.1%) for secondary and 9.4% for pre-school education. In the breakdown of all costs for educational institutions, public expenditure made up 88%, private spending 11.5% and international costs 0.5%. The programme-oriented budget introduced in 2009 aims to make more effective use of public funds, improve transparency and increase inter-sectoral cooperation.

Given the current budgetary constraints, continuing to prioritise investment in education and training will remain an important issue.

7. CONCLUSIONS IN RELATION TO THE CHALLENGES IDENTIFIED IN THE EUROPEAN SEMESTER

While Slovenia has a well-performing education system, there are shortcomings with matching the skills obtained in the education system to the needs of the labour market. Although Slovenia recognises the importance of a national forecast of future skills needs on the labour market, it has no plans to develop a comprehensive system to identify current and projected labour market needs. Further efforts should be made to address deficit professions efficiently and design a long-term system for analysing and forecasting future skills needs.


The implementation of the measures related to career guidance and counselling services foreseen in the Labour Market Regulation Act will require close monitoring and regular evaluation.

¹⁵ According to the Statistical information No. 23/2010 published by the Statistical Office of the Republic of Slovenia, the share of public expenditure spent on formal education in 2008 has been revised to 5.19% of GDP from 5.22% of GDP as published by Eurostat.

SPAIN

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| SPAIN  | | Spain | | EU average | | EU Benchmarks | |
|---|-------------|----------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 100.0 % | 99.3% ⁰⁹ | 85.2 % | 91.7% ⁰⁹ | | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 16.3 % | 19.6% ⁰⁹ | 21.3 % | 20.0% ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | 24.7% ⁰⁶ | 23.7% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15 % |
| | Science | 19.6% ⁰⁶ | 18.2% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 29.1 % | 28.4 % b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 29.2 % | 40.6 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 10.5 % ⁰⁵ | 10.8 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰⁵= 2005, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009 b = break

PISA: reading: 25 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Combating the worryingly high levels of early school leaving is, as Spain rightly recognised in its NRP, a precondition for addressing the high unemployment rates among young people and reducing the risk of social exclusion. The very high rate of early school leaving (31.2%, i.e. more than twice the European average) contrasts sharply with very high tertiary educational attainment (39.4%). The Spanish NRP draws attention to specific programmes for reducing early school leaving that have already been introduced in a bid to get young people to stay on in the education system at least until they get their compulsory education certificate. The measures mainly consist of reinforcement, guidance and support programmes (PROA) and Initial Professional Qualification Programmes (PCPI). They are backed by the Ministry of Education's Action Plan 2010–2011 and are run in conjunction with the Autonomous Communities through a specific programme to reduce early school leaving. Measures to promote vocational training have led to more places and new options in vocational training programmes. 2011 will show the first results of these measures. It is essential that the commitments on reducing early school leaving be sustained and follow a broad perspective.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (2)

Adopt the proposed pension reform to extend the statutory retirement age and increase the number of working years for the calculation of pensions as planned; regularly review pension parameters in line with changes to life expectancy, as planned, **and develop further measures to improve lifelong learning for older workers.**

Recommendation (6)

Assess by the end of 2011 the impacts of the labour market reforms of September 2010 and of the reform of active labour market policies of February 2011, accompanied, if necessary, by proposals for further reforms to reduce labour market segmentation, and to improve employment opportunities for young people; ensure close monitoring of the effectiveness of the measures set out in the National Reform Programme to reduce early school leaving, including through prevention policies, and facilitate the transition to vocational education and training.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

As stressed in the European Semester analysis, early school leaving remains a very serious problem affecting 28.4% of the 18–24 age group (2010 data). The rate has been high for over a decade, with the percentage diminishing only slightly in 2009 (-0.7%) and more significantly in 2010 (-2.8%). It impacts on participation in lifelong learning (LLL) and the chances of young people getting a foothold in the labour market (the youth unemployment rate stands at 41.6%). Given the current high ESL rates and the slow progress achieved in the

past, Spain's national target of getting the figure down to 15% by 2020 (intermediate target for 2015: 23%) appears ambitious.

Spain attaches great importance to achieving this target by way of regulations, plans and programmes either adopted or in process of adoption; these were mentioned in the 2011 Spanish ET2020 national report and in the 2011 National Reform Programme (NRP). The Sustainable Economy Act of February 2011 also addresses the challenges in the education and training system, in particular in the area of vocational training.

Most measures to reduce ESL referred to in the European Semester analysis — such as increasing the availability of Initial Professional Qualification Programmes (PCPI) or the Ministry of Education's 2010–2011 Action Plan, are intervention measures focusing on students in the last years of compulsory secondary education.

Preventive measures are implemented mainly through the Reinforcement, Guidance and Support Plan (PROA) referred to in the European Semester analysis. These measures mainly target migrants and include improving admission requirement for pupils in public schools to avoid school segregation; promoting foreign pupils' access to non-compulsory education stages and to adult education; and improving the recognition and validation of academic certificates.

In addition, free education has been extended to pre-school for 3 to 5 years-olds. The Educa 3 plan (started in 2008 with an annual investment of over €100m) will continue until 2012, to increase the number of places offered for children aged 0 to 3.

Compensation measures target young drop-outs with a view to helping them re-enter the education and training system by setting up guidance and counselling units, by improving access to formal education — facilitating access to the ESO certificate (Educación Secundaria Obligatoria) and to intermediate VET — and provisions to enhance vocational training, in line with the specific European Semester recommendation.

The Ministry of Education action plan includes a research programme to encourage analysis and monitoring of the situation in this area and is therefore a positive step towards implementing the European Semester recommendation on keeping a watch on the effectiveness of the NRP measures.

A report was commissioned by the General Education Committee for the analysis and monitoring of the Spanish and international educational benchmarks in the Education and Training Strategy 2020.

The working group in charge of the report would also carry out the monitoring and reviewing of the main actions taken to decrease early leaving of education and training. The document "European Educational Objectives: Education and Training Strategy 2020. Spanish Report 2010-11" was adopted by the Ministry of Education and the Autonomous Communities on 18 October 2011.

3.2. Tertiary Attainment

Spain clearly performed above the EU average of 33.6% in 2010 and has already reached the EU benchmark for 2020 of 40%. There has been rapid progress in the recent past, with Spain's rate of tertiary attainment increasing by 11.4 percentage points from 29.2% in 2000 to 40.6% in 2010. Spain's national target for 2020 is 44% (intermediate target for 2015: 41%).

The adaptation to the Bologna process will be completed during the academic year 2010–2011. The most significant measure adopted in Spain to improve and modernise higher

education has been the 2015 University Strategy, adopted in January 2009. It includes the social dimension as a cross-cutting objective within the European Higher Education Area.

With the aim of encouraging equality and equal opportunities the Ministry of Education has included new broader Scholarship, Grant and Equity programmes in the 2010–2011 Action Plan.

In its NRP Spain states that it intends to focus on the monitoring and quality assurance of new qualifications. These measures will help tackle the challenges of improving the employability and adaptability of graduates, and encouraging excellence, internationalisation and independence of university institutions. Further increases in tertiary attainment should focus primarily on tertiary level vocational education and training (VET).

4. MOBILITY

Spain is adopting measures to promote mobility, equity and better language skills. A scholarship and grant system has been designed to provide access to education and facilitate equal opportunities, academic performance and mobility, and the Spanish National Agency for European Educational Programmes (OAPEE) fosters participation in the mobility aspects of the Lifelong Learning Programme. As regards tertiary education, Spain remains the most popular destination for incoming Erasmus students.

Spain shows outward bound long-term mobility (1.2% of students per year) below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.4% of students in 2008/09) is above the EU average. In higher education the focus of internationalisation and mobility forms part of the 2015 University Strategy.

Future plans are to expand mobility in VET, including complementary grants for the Erasmus VET programme.

To boost quality vocational training and mobility opportunities, policies are being developed in conjunction with the Autonomous Communities as part of the 2010–2011 Territorial Cooperation Programmes.

Mobility of teachers in the various Autonomous Communities is enhanced by training stays and on-the-job training modules. Most of these measures can be embedded in the comprehensive framework offered by the Council Recommendation ‘Youth on the move — promoting the learning mobility of young people’.

The Ministry of Education is also directing a European mobility project for counsellors (Project Academia) in conjunction with all regional administrations, so that counsellors include a European dimension and mobility element in their work.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

An **Action Plan for Lifelong Learning** focusing on adult learners is in advanced preparation and will be submitted to the Council of Ministers shortly. It has been drafted in consultation with the main stakeholders and the Autonomous Communities. The main objectives are to find better ways of coordinating resources, reduce the number of adults without a secondary compulsory schooling certificate, combat the problem of poverty and social exclusion of immigrant and disadvantaged groups, enhance a culture of lifelong learning and monitor the sector with a view to improving its quality and efficiency.

The economic and financial crisis has had a negative effect on budgets for adult education in general, but the creation of online communication and information plans is helping to promote lifelong learning and inform citizens of what adult education is available.

In formal, non-formal and informal education, action is being taken at central and regional level to facilitate access to lifelong learning (Open/distance University, collaboration with Armed Forces, ‘Mentor Classrooms’, etc.).

Lifelong learning is a common objective for both the Ministry of Education and the Ministry of Labour and Immigration. Both institutions are working on such issues as the recognition of professional skills acquired through work experience or via non-formal education.

In 2009 Spain adopted regulations on the certification procedure for professional competences acquired through work experience and informal training channels, following the results of an *experimental* programme conducted in 2003 and the work conducted by the Ministries of Education, and Labour and Immigration, in coordination with the Autonomous Communities and with the participation of the General Council for Vocational Training.

Work has been in progress since 2003 to pinpoint the skills and qualifications demands of the labour market. The National Catalogue of Professional Qualifications, currently in preparation for Government approval, comprises 518 different qualifications.

Measures to adapt VET to labour market demands include curriculum reforms to revise and broaden vocational training and the corresponding certificates. Since 2009, 50 VET certificates have been published and a further 64 are due, many of them in the energy and water related occupations.

In-service training for teachers, trainers and educators is guaranteed by law. Since 2010 the Cooperation Programme for Teachers' Lifelong Learning has been especially concerned with basic competences, ICT, multilingualism and school management quality systems.

The Ministry of Education is promoting a comprehensive plan to set up an integrated system of vocational guidance. Work in 2010–2011 targets regional administrations, guidance providers and potential users.

Other measures Spain has identified as of strategic importance for its education and training system include: foreign language learning (the Language Action Plan is operational for the period 2010–2012); information and communication technologies (through the ICT initiative ‘School 2.0’); and the promotion of innovation, creativity and entrepreneurship (opening the education and training system to the business world and linking it to labour market needs). The measures outlined above would appear to be positive moves to deal with the challenges identified in the European Semester analysis, in particular the need to improve employment opportunities for young people.

6. INVESTMENT IN EDUCATION

| | Spain | | EU average | |
|--|--------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education, % of GDP | 4.28 % | 4.62 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

In terms of *investment in education* as a percentage of GDP for the period 2000-2008, Spain performs at below EU average levels, but the increase in spending on education as a percentage of GDP has been faster since 2000 than on EU average. Since the Spanish GDP increased more rapidly than the EU average, investment in education has in fact grown faster than in the EU as a whole in absolute terms.

Investment in education in Spain has been stable after 2008, in 2009 the expenditure on education was 4.98% in relation to GDP, and in 2010 the estimated figure was 4.91%.

Available figures indicate that in 2011 the total education and training budget was down by around 4% compared to 2010. At the central level, the budget of the Ministry of Education for non-university education and tertiary education was € 2897m in 2010 and €2801m in 2011. The total education and training budget, including the resources of the Autonomous Communities, was € 44 483m in 2010 and € 42 738m in 2011.

Most of the budget decrease affects the pay of teachers and related academic staff working in the public or private government dependent (*concertado*) education system. In general staff expenditure accounts for around 80% of all education and training expenditure in Spain, and the pay cuts have been between 5% and 10% for civil servants.

Pre-primary education, ESL, vocational training and promoting equality by way of scholarships and grants were defined as priorities by the government, which therefore maintained or even increased their budget allocations in spite of the economic and financial crisis. Money spent on scholarships and grants increased by 3.86% in 2010 and by a further 2.58% in 2011.

Analysing detailed figures on Spanish education budgets can be somewhat complex, due to the multiple institutional levels involved (central government and Autonomous Communities) and to different data aggregation methods.

7. CONCLUSIONS


Spain's early school leaving (ESL) indicator remains high despite a series of far-reaching measures undertaken in recent years, such as preventive action targeting special groups like the migrant population. It is important then that this area of action remains a clear priority and that the political momentum is maintained if the ambitious national ESL target is to be met.

The difficult transition from secondary education to an attractive and efficient vocational education and training system is having a negative effect on youth unemployment rates and social exclusion. In this context, the *Sustainable Economy Act* is expected to bring about improvements, in particular as regards vocational training.

SWEDEN

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| SWEDEN  | | Sweden | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|--------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 83.6% | 94.7% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | 12.6% | 17.4% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | 18.3 ⁰⁶ | 21.1% ⁰⁹ | 24.0 ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | 16.4 ⁰⁶ | 19.2% ⁰⁹ | 20.3 ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 7.3% | 9.7% b, p | 16.0% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 31.8% | 45.8% p | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 17.5% ⁰¹ | 24.5% | 8.5% ⁰³ | 9.1% p | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³=2003, ⁰⁶=2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Early school leaving plays an important role in labour market exclusion, as both youth and adult unemployment rates are more than twice as high for people who have not completed upper secondary education.¹⁶ Reducing early school leaving is an obvious way of bringing unemployment down and making the labour force more productive. The incidence of early school leaving has, however, not diminished over the last decade (2000: 7.3 %, 2009: 10.7%), but the trend has been more positive since 2006.¹⁷ According to the national target, the percentage of 18–24 year-olds who have not completed upper secondary school and who are not studying should be less than 10% by 2020. Combined with a decline in educational quality, as revealed by the PISA tests, and the low attractiveness of the teaching profession, early school leaving can lead in the long run to skills shortages and become a bottleneck for growth in a highly open and export-oriented economy. The National Reform Programme includes ongoing reforms which can have an impact on early school leaving, notably the reform of upper secondary education, by stronger differentiation of the vocational and academic tracks, the introduction of an apprenticeship scheme, and stronger support at the transition between lower and upper secondary education. However, the ongoing reforms would benefit from a more coherent strategy to reduce early school leaving, monitoring and evaluating the impact of measures taken, and a stronger focus on groups at risk, such as migrant youth or boys.

Sweden has a tertiary education attainment (43.9%, 2009) well above the EU 2020 headline target. However, drop-out rates from higher education are rather high and the throughput of university students is slow, showing that there is scope for greater efficiency in higher education.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

At 9.7% in 2010, Sweden performs better than the EU average in early school leaving and is already below the target of 10% set for 2020. However, Sweden is one of the few countries in the EU in which early school leaving rates have not decreased since 2000. There has been no progress in upper secondary school leavers, while the number of pupils having difficulties graduating from lower secondary education is increasing, especially among boys with migrant background. Early school leavers are particularly vulnerable on the Swedish labour market and are at high risk of unemployment, as well as social exclusion and poverty.

A number of systemic reforms are currently being implemented, notably the reform of upper secondary education, introducing more curriculum differentiation between academic and vocational tracks, and mainstreaming a new apprenticeship track. The reform of the transition from lower to upper secondary will both increase entry requirements for upper secondary and

¹⁶ Unemployment rates among persons with no upper secondary education are more than double the corresponding rates for those who have completed upper secondary education in both the youth segment (33.4% vs 15.4% in Q4 2010) and among adults (11.3% vs 5.6%).

¹⁷ However, the statistics have to be taken with caution due to breaks in the series for this indicator.

introduce a one-year personalised transition programme for pupils who do not meet the entry requirements.

Sweden has the data infrastructure to monitor developments in early school leaving at school and local level. The Government intends to monitor the situation of ‘risk populations’ such as young men and newly arrived migrants. From the autumn 2011 municipalities will find it easier to monitor early school leaving, as upper secondary institutions will have the obligation to notify municipal authorities about enrolments and drop-outs.

Between 2009 and 2011 additional funding has been made available to adult VET and adult high school education, and a temporary increase in student support has been introduced for early school leavers aged 20–24 who are unemployed.

As evidence shows, early school leaving plays an important role in labour market exclusion, which further translates into social exclusion. While the above measures provide the right response to the policy challenge and are in line with the Commission’s assessment during the European Semester, they would benefit from a more integrated and coherent approach, better focusing and close monitoring.

3.2. Tertiary attainment

45.8% of young adults in Sweden had tertiary education attainment in 2010, well above the EU 2020 headline target and exceeding Sweden’s national target for 2020. Sweden continues the modernisation of its higher education, by introducing a new quality evaluation system and by introducing from 2013 quality based resource allocation for higher education institutions. A temporary boost in funding in tertiary education between 2010 and 2011 allowed the creation of additional student places in higher education. The newly established higher vocational education programmes have high demand, and high insertion rates on the labour market for graduates.

Sweden has an inclusive higher education system, opened to lifelong learning. An important part in the Swedish higher education system of life long learning is the possibility to take short courses, not necessarily leading to formal degrees.

However, rather high average age of university entrants (22.1 years in 2007¹⁸), drop-out rates (46% in 2008)¹⁹ and a relatively slow throughput of university students lead to a relatively late entry of graduates into the labour market. OECD calculations estimate that this leads to one of the highest cumulative expenditure per student over the average duration of tertiary studies. There is scope for further improving the efficiency of higher education, while maintaining its important role in lifelong learning. There was limited progress in increasing the number of MST graduates, which grew between 2000 and 2008 by less than half the EU average, with the female share of MST graduates on the other hand clearly above EU average.

The level of study support has been increased with effect from July 2011 and has been more closely linked to study results in order to accelerate the throughput of students. There has also been recent progress in advancing the entry to tertiary education. A study identifying the main causes of dropping-out from higher education was published in 2011.

¹⁸ When excluding incoming students the average age of university entrants in Sweden are 20.9 years.

¹⁹ OECD, Education at a Glance 2010. Includes students entering single courses who may never intend to study all courses needed for a degree, an estimated 40% in Sweden.

While Sweden has a well-performing tertiary education system in international comparison, rather high drop-out rates and rather slow throughput suggest that there is scope for further improvement.

4. MOBILITY

As regards tertiary education Sweden has an outbound long-term mobility (3.0% of students per year) near the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.6% of students in 2008/09) is below the EU average.

Sweden introduced tuition fees for non-EU/EEA students from 1 July 2011, accompanied by new programmes of scholarships for non-EU/EEA students. Student mobility has recently been increasing in Sweden. A number of initiatives are aimed at promoting outward mobility: an inquiry on improvements in the use of student support for studies abroad and a pilot scholarship programme for promoting outward mobility of teachers and students (2010-2011) are ongoing. Sweden has taken steps to set up a National Qualifications Framework, relating it to the public education and training system as a first step and towards introducing ECVET.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Sweden has not formulated a specific strategy for lifelong learning, but has a well developed and coherent lifelong learning approach. Adult participation in lifelong learning is among the highest in the EU and has been supported by additional government grants during the economic recession.

With regard to flexible pathways, the reformed upper secondary education will bring in higher levels of tracking and more differentiated pathways, with greater curriculum differentiation between the academic, VET and apprenticeship tracks. VET graduates will no longer automatically qualify for entry to higher education, but will be entitled to additional courses in upper secondary schools or in municipal adult education in order to become eligible.

The National Agency for Higher Vocational Education (NAHVE) collects information about skills needs and ensures that higher vocational education programmes are aligned with labour market needs. The reformed upper secondary vocational programmes will be advised and supported by tripartite National Programme Councils, which will also follow up how successful graduates are in finding jobs. A study on demand and supply for higher education qualifications is being carried out by the National Agency for Higher Education.

6. INVESTMENT IN EDUCATION

| | Sweden | | EU average | |
|---|--------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education Public spending on education,% of GDP | 7.21 % | 6.74 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Sweden allocates over 6% of GDP to education, and hence has the third highest rate of *investment in education* (after Denmark and Cyprus) among the EU Member States.

While Sweden experienced a sharp drop in GDP in 2009, the country's strong fiscal position allowed the government to invest more in education, with a view to countering unemployment.

Additional publicly funded places in higher education, adult education and continuing vocational training were among the main countercyclical measures taken during the economic crisis. This brought about an increase in the number of people in education and training in 2010–2011, meeting the increased demand for education caused by the dip in the labour market. In Sweden education has enjoyed a priority in terms of investment, which has been maintained during the economic crisis.

When the economic crisis hit Sweden, ESF funds were offered to support projects that would help employees at risk of dismissal to get more up-to-date training that would help them stay in their jobs or find new jobs if actually dismissed. Following this some €55m was paid out to around 70 projects that strategically helped both individuals as well as small and larger companies to come through the crisis, and come out stronger.

7. CONCLUSIONS IN RELATION TO THE CHALLENGES IDENTIFIED IN THE EUROPEAN SEMESTER


Sweden has a broad-based and modern education system. There is further scope for improvement in consolidating the reduction of the early school leaving rate and in reversing the decline in the quality of school education, as shown by PISA. Current reforms, such as the reform of upper secondary education, initiatives in the area of vocational education and training, and measures that support the transition between the different levels of education, have strong potential to remedy the situation, but should be monitored carefully.

The ongoing efforts for modernisation of higher education address many of the challenges in the area. Increasing efficiency in higher education, by continuing initiatives aimed at accelerating throughput or reducing drop-out, could have a positive impact in terms of both public finances and the labour market and would thus help boost Sweden's growth potential.

UNITED KINGDOM

Starting with the country's performance in relation to the education and training benchmarks and the challenges identified during the first Europe 2020 European Semester, this country summary analyses the country's situation on the basis of the ET 2020 national reports and other available sources. It focuses on key areas for the implementation of ET 2020 as well as Europe 2020 and the European Semester, i.e. measures relevant for achieving the Europe 2020 headline targets and the related national targets, along with mobility, lifelong learning, skills matching, and investment in education and training.

1. BENCHMARKS

| UNITED KINGDOM  | | United Kingdom | | EU average | | EU Benchmarks | |
|---|-------------|-----------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 100 % | 97.3% ⁰⁹ | 85.2 % | 91.7% ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 19.0% ⁰⁶ | 18.4% ⁰⁹ | 21.3 % | 20.0% ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | 19.8% ⁰⁶ | 20.2% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15 % |
| | Science | 16.7% ⁰⁶ | 15.0% ⁰⁹ | 20.3% ⁰⁶ | 17.7% ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 18.2 % | 14.9% b | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 29.0 % | 43.0 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 20.0% ⁰⁷ | 19.4 % | 8.5% ⁰³ | 9.1% ¹⁰ | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰¹=2001, ⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ^{e08}=2008, ⁰⁹=2009, = estimate, b = break, p = provisional,

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Analysis presented in the Commission Staff Working Document accompanying the Recommendation for a Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

UK performance is better than the EU average on participation in early childhood education, on reducing the number of low achievers in reading, maths and science, on completion of upper secondary education and in adult education. Rates of participation in higher education are currently good, but could be adversely affected by the introduction of tuition fees of up to £9 000 p.a. for degree courses in England. Problems in vocational education have prevented significant increases in medium level skills. According to a report of the Government's 'UK Commission for Employment and Skills' (UKCES),²⁰ based on current trends the UK's relative international position is unlikely to improve between 2010 and 2020, and for low and intermediate level skills the UK is projected to remain ranked in the bottom half of the OECD countries.

While the share of people aged 25–64 having attained high skill levels is, at 33.4%, high in the UK (EU: 25.2%), in 2009, the share of adults having completed ISCED²¹ level 3 education was low, at 41.2% compared to 46.8% on average for the EU. UK public spending on education as a percentage of GDP has grown since 2000 and is now above the EU average, but educational performance (as measured by PISA scores) remains static. The OECD²² notes that an insufficient supply of high-quality vocational programmes and tertiary education study places is hampering human capital formation and growth.

The measures which have been announced to promote skills should help alleviate the bottlenecks. The increase in annual funding for adult apprenticeships will be up to £250 m per year, with sufficient funding in place for 75 000 more adults by 2014–15. Other measures such as student loans for advanced further education courses and Lifelong Learning Accounts may assist in overcoming this bottleneck. There will be a £2.5 bn pupil premium fund to support the education of disadvantaged children and a new national scholarship fund to support students from disadvantaged backgrounds, reaching £150 m per year by 2014–15. The budget details, where available, specify a maximum limit but no minimum. Thus, the level of ambition is high, but more details on certain schemes are required to make a full assessment of the plans' effectiveness (for example on the extent to which employers will actually provide the extra apprenticeship places for which funding is being made available, and on the new targeting mechanisms for support to students from disadvantaged backgrounds — see below).

The measures in the NRP were supplemented on 12 May by the publication of a document entitled 'Supporting Youth Employment', which summarised the Government's approach to this problem and announced some new measures. These included implementing the vocational education reforms recommended by a recent independent review, requiring secondary schools to offer careers advice, providing apprenticeships for 'up to 10 000' vulnerable young people and trialling new 'sector-based academies' to train up to 50 000 young unemployed people to work in particular sectors. Given that these measures were not included in the NRP, it was not possible to conduct a full analysis of them. However, as with

²⁰ UK Commission for Employment and Skills, *Ambition 2010 Report*, August 2010.

²¹ International Standard Classification of education. Level 3 is broadly equivalent to upper secondary education.

²² OECD Economic Survey of the UK, March 2011.

some of the rest of the package, while these are clearly all steps in the right direction, the number of people for whom help is envisaged appears small relative to the size of the problem, and there is a lack of evidence on whether the target numbers will be reached and of how much the new initiatives will really add to current levels of support.

The proportion of UK 18–24 year-olds who are early leavers from education and training, at 15.7%, is higher than the EU average of 14.4% and much higher than the EU target of 10%. The problem is more acute for boys than girls. In England, the number of 16–24 year-olds not in education, employment or training was 938 000 in the final quarter of 2010²³, a record high. Furthermore, pupils' educational performance in the UK remains strongly related to parents' income and background.

Plans to tackle early school leaving include raising the age for leaving compulsory education from 16 to 17 in 2013 and to 18 from 2015. A coordinated range of policy measures and investment has not yet been specified. Plans to make more money available for apprenticeships and to create a new type of 'technical' school in 24 localities should make vocational education and training more accessible for young people. However, according to the National Institute of Economic and Social Research neither the expansion of apprenticeships nor the expansion of the work experience scheme are sufficient to address the scale of the youth unemployment problem.

Furthermore, some further reforms may exacerbate the problem of early school leaving in the UK. In England, the 'Education Maintenance Allowance' (EMA) — a payment of up to £30 per week to children from poorer families who remain in post-16 education — was closed to new applicants as of January 2011 and replaced with a smaller, more targeted bursary scheme; total funding was reduced from £560 m to £180 m. The government draws on research by the National Foundation for Education Research which says that 90% of students who receive EMA would still continue with their education without the payment. However, Institute for Fiscal Studies (IFS) research shows that the EMA has raised participation as well as boosting grades; the costs of providing the allowance are offset by the financial gains of getting young people into training. There remains a risk that this new policy will not be as effective as the EMA in tackling educational disadvantage, suggesting a case for specific short and medium-term nationwide measures to drive greater progress.

Council Recommendation on the implementation of the Integrated Guidelines for the economic and employment policies of the Member States

Recommendation (3)

Take steps by 2012 to ensure that a higher share of young people enter the labour market with adequate skills and to improve the employability of 18 to 24 year-olds who left education or training without qualifications. Address skill shortages by increasing the numbers attaining intermediate skills, in line with labour market needs.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

As pinpointed in the outcome of the European Semester, early school leaving remains a major challenge for the UK, especially in the light of high youth unemployment, and of the reduced

²³ Source: UK Department for Education, Statistical release 'NEET statistics Quarterly brief', table 1(b) (dated 24 February 2011).

cash incentives for disadvantaged young people who remain in education (which result from government policy target such funds on the most needy). The UK performs below the EU average, with a rate of 14.9%, compared to the EU average of 14.1% in 2010; this is considerably higher than the EU target of 10%, and the ESL rate has decreased only moderately over the past decade (18.2% in 2000).

The UK has not established a national target for reducing early school leaving but has recently undertaken a number of measures to analyse and monitor this phenomenon, including the publication of data on young people and education, development of local authority systems to monitor young people's participation in education, and (in Scotland only) the provision of information to young people.

The UK is focusing particularly on prevention measures to stop potential problems developing into barriers to the participation of young people from disadvantaged backgrounds. In addition to boosting participation in early childhood education, where the UK already performs above the EU average, these measures include providing schools with extra funding if they take disadvantaged students, the aim being to raise their attainment levels. Measures have been introduced to provide 15 weekly hours of early education to the 20% most disadvantaged 2 year-olds. Policies to increase the number of schools that are run by parents, head teachers and teachers are also referred to.

Northern Ireland aims to increase the proportion of school leavers achieving Level 2 qualifications with a coordinated range of strategies tackling such things as school improvement, a revised curriculum, literacy and numeracy targets and barriers to learning for at-risk groups.

The UK Government believes that the best measure to prevent early school leaving is to raise overall attainment in schools. It has introduced a new performance measure of the number of pupils who have secured a 'C' grade in core subjects (the 'English Baccalaureate') and will provide extra school funding for measures that help disadvantaged pupils achieve more. Under the heading of 'measures to prevent early school leaving', the UK report also refers to such diverse policies as: the teaching of 'systematic synthetic phonics' (to help literacy acquisition); devolving power to school heads and teachers; and rationalising grants to local authorities for preventative approaches. In Scotland, the Government aims to offer post-16 learning for every young person who wants it. The Welsh government has highlighted learner attainment at age 15 as a key priority area.

As measures to compensate for early school leaving, the UK highlights: the decision to raise the education participation age in England to 17 (in 2013) and 18 (in 2015), and the commitments to fund training for young people who do not possess a Level 2 or 3 qualification and to expand the funding for apprenticeships, which seems quite ambitious.

The measures in place are in line with the specific recommendation issued in the framework of the European Semester, that the UK 'take steps by 2012 to ensure that a higher share of young people enter the labour market with adequate skills and to improve the employability of 18 to 24-year-olds who left education or training without qualifications...'. In addition, boosting the consistency, coordination and balance between ESL prevention, intervention and compensation is likely to improve overall effectiveness. The measures for improving basic skills are also consistent with the recommendation to provide young people with adequate skills for the labour market. Producing a significant impact by increasing the numbers attaining intermediate skills, in line with labour market needs, will be particularly important.

3.2. Tertiary attainment

The UK has progressed significantly from 29% in 2000 to the current tertiary attainment rate of 43% (2010), which is well above the EU average (33.6%). The growth in the number of *MST graduates* exceeded the EU benchmark but, at the same time, was below the EU average.

No national target has been set. As measures to increase higher education entrance rates, the UK refers to: allowing universities to recruit an additional 10000 students in 2010/11; allowing universities to charge students up to £9000 a year (not in Scotland); obliging universities to invest some of their additional income in improving access; mitigating any negative impact of the increased fees on students from disadvantaged backgrounds, in line with the challenge identified in the framework of the European Semester. The Welsh Government will ensure that Welsh domiciled students will not have to pay higher university fees, wherever in the UK they decide to study.

Measures to improve completion rates of students in higher education include taking into account each university's retention rates when drawing up its agreement with the government on improving access. In Scotland, those institutions that recruit large numbers from the most deprived neighbourhoods will receive additional funding to improve retention.

The implications of the significant increases in tuition fees combined with specific arrangements for disadvantaged groups will require careful monitoring to ensure that they do not discourage participation in higher education by people from socially disadvantaged backgrounds, nor attainment rates, in accordance with the indications of the European Semester.

4. MOBILITY

As regards tertiary education, the UK's outbound long-term mobility (0.6% of students per year) is well below the EU average (2.8%) and in fact the lowest in the EU, while short-term mobility under the EU Erasmus programme (0.3% of students in 2008/09) is also well below the EU average.

Examples of recent measures to promote outgoing / incoming student mobility are: pilot projects to test approaches to the application of credits in UK VET; 339 new collaborative links between UK HEIs and HEIs from the rest of the world; and bilateral study programmes which have enabled over 1600 UK students since 2007 to spend three weeks in China and India. The UK also reports improvements in the academic recognition of foreign qualifications and/or periods of study abroad.

The Scottish and Welsh Governments have funded projects to promote outward student mobility.

Specific steps to promote the learning mobility of teachers and other educational staff, or to identify and reduce any obstacles to learning mobility, are not mentioned, apart from financial compensation to cover the cost of replacing teachers on Comenius placements.

In an increasingly globalised economy, most countries now recognise that it is beneficial both to individuals and to the economy for students to undertake a part of their studies abroad. The benefits include the acquisition of key competences that employers value such as communication skills, an understanding of other cultures and languages, personal management, teamwork, the development of personal networks etc. Further targeted efforts would therefore be appropriate to improve the UK's weak educational mobility performance, in particular as regards outbound students.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

The United Kingdom appears to have an explicit comprehensive lifelong strategy. Although the approach to lifelong learning is well developed, however, no further progress is reported in this area.

Adult participation rates in LLL are more than twice the EU average.

In particular, the Scottish education system is one of the few in the EU that has a coherent and comprehensive LLL strategy to support the long-term development of education and training reform across all sectors and levels. The strategy is based on evidence and supported by agreed financing arrangements and performance targets.

Consistent with the recommendation of the European Semester to provide young people with adequate skills for the labour market and to improve the employability of those who left school without qualifications, the UK reports measures in VET and adult education to reduce and prevent unemployment. Recent measures to improve skills forecasting have included a series of proposals with increased focus on basic skills, simplifying funding arrangements and reducing central bureaucratic control over colleges and training organisations.

In Scotland, an integrated employment and skills (IES) service has been put in place to make it quicker and easier for job-seekers to access professional advice, and a new Labour Market Intelligence framework will set out a clear strategy for improving LMI provision and access.

Such positive developments, in particular to improve the supply and quality of VET, could be enhanced, in particular by way of specific measures to take the results on board in planning processes with a view to increasing the critical mass of potential beneficiaries.

6. INVESTMENT IN EDUCATION

| | UK | | EU average | |
|---------------------------------------|-------|-------|------------|-------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 4.46% | 5.36% | 4.88% | 5.07% |

Source: Eurostat (UOE)

Investment in education (public spending on education as a percentage of GDP) has shown significant growth since 2000 and is now above the EU average.

During the recent budget cutting exercise, the education and training budget remained relatively protected in comparison to other policy areas. The Government has prioritised areas which support long-term growth (including schools, early years provision, and apprenticeships), core universal frontline services, and services which protect the most disadvantaged, including: funds to support the attainment of the most disadvantaged and to provide incentives for good schools to take on pupils from poorer backgrounds; 15 hours free early years education for 3 and 4 year-olds and disadvantaged 2 year-olds; Sure Start Children's Centres, offering universal services for all families and targeted services focused on the neediest ones; and an expansion of 16–19 age group provision.

The ministry's administrative budget will, however, be reduced by a third by 2014–15, and schools and other frontline services will have to make further savings.

The Government is also encouraging a greater diversity of organisations providing education and giving schools and local authorities greater flexibility over their budgets.

In further education, funding will be targeted at learners with very low levels of skills, unemployed people, adult apprenticeships, and at giving a second chance to 19 – 24 year-olds without a secondary level qualification. Learners and employers will be expected to pay for intermediate and higher level training courses: new FE loans will be introduced from 2013–14 for learners aged 24 years or more on courses above secondary level 3.

This is consistent with the specific European Semester recommendation on addressing shortages in intermediate skills in line with labour market needs.

In higher education, to boost investment resources against a background of growing student demand, universities in England will charge students up to £9000 a year for the teaching elements of their courses (the cost of accommodation etc. is already paid by students). Students will start to repay loans when they earn £21 000 or more p.a. The maintenance grant for students from households with an income up to £25 000 p.a. will be increased. As pointed out earlier in this document, in accordance with the indications of the European Semester, the impact of tuition fees combined with arrangements for disadvantaged students will have to be monitored to ensure that this does not lead to lower participation and attainment rates in tertiary education.

7. CONCLUSIONS


Tackling early school leaving (ESL) remains a challenge in the UK in terms of boosting the employability of young job-seekers. The measures in place are consistent with the recommendation that the UK ‘take steps by 2012 to ensure that a higher share of young people enter the labour market with adequate skills and to improve the employability of 18 to 24-year-olds who left education or training without qualifications...’ and may become even more effective through mutual coordination.

To improve the employability of young people without qualifications, the UK is giving more emphasis to the acquisition of basic skills, which are in turn essential for the acquisition of further skills. To improve the match between skills and labour market needs, the UK is simplifying requirements for education and training providers and facilitating access to occupational guidance for job-seekers.

The impact of tuition fees in higher education will have to be monitored to prevent any negative effects on participation and attainment rates.

CROATIA

1. BENCHMARKS

| CROATIA  | | Croatia | | EU average | | EU Benchmarks | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 45.9% ⁰³ | 68.8% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | - | 22.5% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | - | 33.2% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | - | 18.5% ⁰⁹ | 20.2% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 8.0% ⁰² | 3.9% u | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | 16.1% | 22.6% u | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 1.8% ⁰³ | 2.0% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰²= 2002, ⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009, e= estimate, b = break, p = provisional, u=unreliable

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels'

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Not applicable.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Croatia has already reached the 2010 EU benchmark as regards early school leaving (ESL) and Croatia's performance in this area is among the best in Europe. Data from the Ministry of Science, Education and Sports (MoSES) showing developments in this area over the last decade reflect a decrease from 8% to 3.9%.

The Teacher Training Agency is putting in place emergency and prevention programmes focusing on groups at risk, comprising children from families of lower educational attainment, pupils with difficulties and Roma children. This measure follows the outcomes of a study carried out by MoSES in cooperation with the Social Research Institute which showed that truancy often leads to early school leaving and the pupils concerned often come from these backgrounds.

The following national measures have contributed to good results as regards prevention of ESL in Croatia:

- School is compulsory from the age of six to 15, and for children with special needs, to the age of 21. County and city offices share responsibility for sending children to school using their information on permanent residents in geographical areas and primary schools in that same area.
- According to the 'Act on Textbooks for Primary and Secondary Schools' (2006), free textbooks have been provided to all primary school pupils since 2007 in order to secure education on equal terms for all.
- The 'Act on Early Childhood Education, Primary and Secondary Education' entitles pupils to free local transportation to school.
- In 2005, a project was implemented providing an adequate number of schools in each county, which secured education for pupils (including pupils with special needs) in vicinity of their home, allowing them to grow up in their families.

For the purpose of avoiding drop-outs at all levels of education, there exists particular need to support the development and functioning of services supporting pupil/students who are experiencing hardship and need temporary psychological support and counselling. In that respect and with the main aim of better inclusion of preschool children/pupils/students with disabilities or in need of temporary assistance or advising in education and capacity building of educational institutions, Ministry of Science, Education and Sports prepared a grant scheme (*Integration of disadvantaged groups in regular education system, 4.038.000 €*) in order to support formal education institutions in increasing the number of persons at a disadvantage who are both enrolling and completing their education; to support actions aiming at improving quality of education of persons at a disadvantage as well as to facilitate social inclusion of persons at a disadvantage in educational institutions. Projects will start with implementation in 2012.

3.2. Tertiary attainment

Tertiary education attainment rate in Croatia, at 22.6%, is below the EU average, although the rate has risen by over 5 percentage points over the last decade. In the area of *MST graduates*, the increase since 2000 is of 127.2%, higher than the EU average.

The government adopted a decision to subsidise costs for the first year of regular study for all students. Many different types of indirect student support exist in Croatia, including support for meals, accommodation, local transport, health insurance, tax relief for parents with student children and for disadvantaged students who did not have access to higher education due to the civil war. Approximately 40% of students are studying free of charge.

These temporary measures are being further developed as they do not meet the observed needs of the student population.

Croatia plans to use the EU fund 'Instrument for Pre-Accession' (IPA) to adjust the curricula according to the Croatian Qualifications Framework, to support disadvantaged groups, introduce curricula in the English language, strengthen student services, financial governance in higher education institutions and analytic and statistical systems.

To respond to the need to restructure the financial governance of Croatian universities, the Ministry organised a conference with speakers from several European countries presenting their national implementation practices.

A new law plans to abolish the present inadequate system of tuition fees, and enrolment fees has been proposed instead. In October 2011 the Agency was admitted to full European Association for Quality Assurance in Higher Education (ENQA) membership.

The Agency for Science and Higher Education is currently conducting an external quality assurance evaluation in 20 higher education institutions.

Finally, the system for academic staff will be reformed and institutions will receive autonomy to set criteria for hiring their staff. This has hitherto been under the responsibility of a series of committees.

4. MOBILITY

International learning mobility has been adopted as a strategic priority for the development of the higher education system. Full accession to mobility programmes, the Lifelong Learning Programme and Youth in Action Programme, is a pre-accession requirement for the Republic of Croatia to become a member of the European Union.

Since Croatia joined the Bologna Process in 2001, the Ministry has made continuous efforts to strengthen institutional capacity for mobility as regards training of staff at the Ministry, sectoral agencies and international relations offices of higher education institutions.

Preparations for accession to the Lifelong Learning Programme and Youth in Action Programme included the establishment in 2007 of the Agency for Mobility and EU Programmes. Since 2011, Croatia has been fully implementing the Lifelong Learning Programme which has significantly increased participation at all levels. The Croatian National Agency for LLP is the contact point for Europass and Euroguidance. Croatia has appointed a representative to the Eurydice network and has set up a Eurydice Unit in MoSES.

An internet portal, 'Study in Croatia', was launched in November 2010. This is a comprehensive source of information about higher education in Croatia aimed at prospective international students.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Regarding *adult participation in lifelong learning*, Croatia's performance with 2% is clearly below the EU average and has improved little since 2000.

Croatia will explicitly outline Lifelong Learning in the new law in order to facilitate entry into higher education by non-traditional learners and to regulate the introduction of quality non-degree programmes. The aim is to integrate all LLL programmes in internal accreditation systems, which will allow higher education institutions to establish procedures for validation of non-formal and informal learning.

Croatia established 13 VET Sector Councils, each of them composed of 20 members appointed by the Minister, whose role is to identify and define the qualifications needed in the VET sector, to define and make known the needs of the labour market, and to analyse existing and needed competences. These VET Councils also provide suggestions for curricular networks and VET institutions.

In March 2011, a technical specification National Information System for Science and Higher Education (NISSHE) was developed. Its aim is to develop a national information collection and analysis system of higher education provision in Croatia. This operation will create a robust national system providing data relevant for the development of educational policies, which is not possible with the current, dispersed information systems.

Croatia is actively supporting the goals set at the EU level, which are stipulated in the 2006 "Communication on Adult Learning: It is Never Too Late to Learn", and the 2007 "Action Plan on Adult Learning: It is Always a Good Time to Learn". In recent years, the Government of the Republic of Croatia has accordingly made significant institutional and legislative changes in the adult education sector. The Adult Education Act passed in 2007 regulated, for the first time, the normative framework for making adult education an integral and equally important part of the Croatian education system. In 2008, four by-laws ensued from the Adult Education Act: the By-law on Public Certificates in Adult Education, the By-law on Standards and Specifications in Adult Education Institutions, the By-law on the Contents, Form and Method of Keeping Pedagogical Documentation and the By-law on Records in Adult Education Institutions. Since 2003, the MoSES has supported the concept set forth in "A Literate Croatia: The Way to a Desirable Future", through projects funded entirely by the state budget. Accordingly, primary education, as well as vocational training, is free of charge for the participants. The aim is to increase the overall level of literacy and to reduce unemployment by enabling individuals over the age of 15 to finish primary education and complete a training programme for simple occupations.

By means of EU funding, specifically within IPA IV Component OP Human Resources Development, Ministry of Science, Education and Sports has prepared interventions with the intention of improving Croatia's adult and higher education system and enabling learners of all ages to acquire competencies in order to better respond to labour market needs.

Within grant scheme *Regional network of local learning institutions* (€ 3.407.682,34) total of 20 grants were awarded to most successful adult education institutions with the aim of developing an effective educational and training system that is responsive to labour market needs, primarily in the ten selected counties but also across the entire territory of the Republic of Croatia as well as with the aim to improve key competencies and other competencies of adult learners which will enable them to participate more actively in the labour market. Similar activities are planned to be supported in the next IPA 2010-2011 programming period within the grant scheme "*Capacity Building of the Adult Education Institutions*" whose main

aim is to strengthen the capacities of the adult education institutions in order to improve the quality of the adult education provision and thus positively affect labour market competitiveness of adult learners.

Furthermore, with the aim of further strengthening the capacity of the adult education (AE) system at national level with a special focus on a selected number of the ten most vulnerable counties, service contract titled *Regional network of local learning institutions* is being implemented with the aim of improvement of the capacity of adult education institutions in the ten selected counties; provision of assistance in disseminating information on the methodology for modernizing existing and/or designing new short AE programmes and awareness-raising activities for potential adult learners regarding adult education training programmes and regional networks established.

Improved quality of AE programmes, modernised provision, highly qualified teachers, introduction of quality assurance system are just some of the requirements for better AE system.

6. INVESTMENT IN EDUCATION

| | Croatia | | EU average | |
|---------------------------------------|---------------------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 3.72% ⁰² | 4.33 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

⁰²= 2002

Public investment in education, as a percentage of GDP, significantly increased in Croatia since 2000, but is still nearly one per cent of GDP below the EU average.

Due to the economic crisis, cuts in the budget have been applied in several areas.

The National Programme of Measures for the Implementation of Compulsory Secondary Education has been temporarily postponed and/or cancelled (free textbooks, free local transportation to schools, increase in numbers of pupils per class, closing of schools).

The Ministry has instructions on employing teachers to replace those who retire. Teachers are replaced only after examination of required documents and consent by the Management Board.

Furthermore, due to a budget decrease, funds for new buildings have been limited, and funds for teaching equipment and school libraries have been cut.

Budgetary provisions for higher education in 2011, compared to 2010, rose by 0.7%; however, this was a 1.8% decrease compared to 2008. There are plans to raise the budget for 2011, to give an increase of 0.5% over the 2008 budget.

Despite the decrease of the State budget for national education because of the economic crisis, the budget for international learning mobility significantly increased. This is a direct consequence of the full implementation of the European Lifelong Learning Programme since January 2011.

By means of funding from IPA IV Human Resources Development OP 2007-2013 the total of 47.37 m euros are allocated for the purpose of enhancing overall educational system in Croatia.

ICELAND

1. BENCHMARKS

ICELAND 

| | | Iceland | | EU average | | EU Benchmarks | |
|---|-------------|----------------------|----------------------|----------------------|----------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 57.8 % | 95.1 % ⁰⁹ | 85.2 % | 91.7 % ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 14.5 % | 16.8 % ⁰⁹ | 21.3 % | 20.0 % ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | - | 17.0 % ⁰⁹ | 24.0 % ⁰⁶ | 22.2 % ⁰⁹ | - | 15 % |
| | Science | - | 17.9 % ⁰⁹ | 20.2 % ⁰⁶ | 17.7 % ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 29.8 % | 22.6 % | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 31.0 % | 40.9 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 29.5 % ⁰³ | 25.2 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³ = 2003, ⁰⁶ = 2006, ⁰⁷ = 2007, ⁰⁸ = 2008, ⁰⁹ = 2009, e = estimate, b = break, p = provisional

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Not applicable.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Regarding *early leavers from education and training*, the situation in Iceland is improving, but it still has a significantly higher share than the average in the EU.

To analyse and monitor developments, Iceland has taken measures such as annual data collection on registrations and graduation from schools for each age group. Headmasters have also taken part in surveys to tackle early school leaving. Furthermore, research on early school leaving is being conducted at the University of Iceland. Iceland also takes part in international surveys, such as a recent OECD survey on graduations and drop-out in upper secondary education.

Iceland undertakes specific measures to tackle early school leaving. The right of students with difficulties to specific learning aids is ensured in laws on pre-primary education, primary and secondary education, upper secondary education and teacher education adopted in 2008. The laws particularly target students not having Icelandic as their first language. The legislation from 2008 ensures the access of all students up to the age of 18 to upper secondary education.

In addition, in 2011, the government adopted a decision to secure the right of every young person up to the age of 25 to education at upper secondary school level.

Upper secondary schools have the freedom to develop flexible study paths and have developed study programmes based on job skills rather than academic skills. A new formal certificate after two years of study has been legalised to give more students the opportunity to graduate. This is done according to the national qualification framework adopted in the recently published general section of the national curriculum guide for upper secondary schools. The financing of schools on the basis of the number of pupils registered who have taken part in formal evaluation is deemed to be an incentive for schools to monitor and take action to prevent drop-outs.

Laws on adult education adopted in 2010 aim to create opportunities for early school leavers to re-enter education, and possibilities for informal and non-formal education to be accredited.

3.2. Tertiary attainment

In Iceland, the share of the population with tertiary education attainment has improved and is now above the EU 2020 benchmark.

In underrepresented geographical areas, higher education centres have been established and special programmes have been offered to prepare students for university.

Over the last two years, the government has increased funding for student loans to enable students from less advantaged backgrounds to enter higher education. A 2011 government project aims to provide financial support for the long-term unemployed to allow them to enter higher education or pre-tertiary education.

The model for government funding is an incentive for higher education institutions to increase completion rates. The system, which is the same for public and private institutions, is based on the number of students taking examinations in each course each year. Since 2010, a fixed

sum, which rises according to the level of studies, has been added for each student that graduates.

To safeguard the activities of public universities outside Reykjavik, the Minister of Education, Science and Culture launched a new policy in 2010 to set up a collaborative network between universities. Among other things, this offers a common information system, a joint student register and web tool for distance education, a common administrative and support service, a joint centre for graduate studies, the use of the same system for performance assessment and cooperation with regional knowledge centres and lifelong learning centres.

4. MOBILITY

As regards tertiary education, Iceland has an outbound long-term mobility (18.2% of students per year) clearly above the EU average (2.8%), while short-term mobility under the EU Erasmus programme (1.2% of students in 2008/09) is also above EU average.

Iceland participates actively in the Lifelong Learning Programme (LLP) as well as in similar Nordic programmes.

The LLP National Agency actively promotes the possibilities offered by the Lifelong Learning Programme. Iceland's participation in LLP is very high. For instance, 98% of secondary schools and 60% of primary schools have participated in Comenius partnership projects that involve mutual visits for teachers and classes. Participation in Erasmus has led universities to offer a wide range of courses and programmes taught in English.

The University of Iceland runs an information office, which also accommodates the LLP Agency, on studies abroad which is open to the public. Students can get loans from the Student Government Loan Fund to finance studies abroad as well as in Iceland. Mobility is facilitated by the fact that all higher education institutions use the European Credit Transfer System and the diploma supplements. Iceland is in the process of implementing learning outcomes and quality measures in line with Bologna standards.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

As regards *adult participation in lifelong learning*, this has fallen, but from a very high level, and Iceland still performs significantly above the EU average.

There is no specific legislation or special policy document on lifelong learning in Iceland.

The work on a national qualifications framework, covering all levels and forms of education in a lifelong learning perspective, has been undertaken jointly by the authorities, social partners and providers. It has enabled stakeholders to identify competencies acquired in education today more clearly. Work will continue in the second half of 2011, by analysing and forecasting skills needs for different professions in a more focused and consistent way.

Occupational Councils, appointed for all branches of VET, started their main work in February 2010, in cooperation with providers. An Occupational Committee composed of their chairmen was also established to serve as a forum of coordination and cooperation between different VET sectors. There are plans to set up Professional Councils to define more directly and in more detail the needs of each profession.

The Act on Adult Education contains provisions on the recognition of providers, recognition of non-formal and informal learning and certification of curricula in adult education, as well as for funding the Adult Education Fund.

The Adult Education Fund has strengthened the work of the lifelong learning centres operated by social partners in the country. There are guidance counsellors both within the formal system and in the lifelong learning centres. A separate budget has been earmarked for a VET fund to support companies that provide apprentices with workplace learning.

6. INVESTMENT IN EDUCATION

| | Iceland | | EU average | |
|---------------------------------------|---------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 5.93 % | 7.57 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

Investment in education as a percentage of GDP has increased significantly since 2000, to one of the highest levels in Europe. The increase in Iceland was higher than for the EU as a whole, widening the gap between Iceland and the EU average.

The economic and financial crisis led to a reduction of the education budget in all sectors between 2008 and 2009. The cuts mainly affected staff costs, replacement of equipment and maintenance costs, and led to measures such as cuts in teaching hours, merging of classes or pre-primary provision and mixing of age groups in schools. This trend continued in 2010, with the exception of adult education, for which there was a significant increase in public investment in 2010, based on an agreement between the social partners and the government.

The cuts did not affect government funding for student loans, which was considerably increased as a reaction to the 2008 economic crash (+ 37% between 2008 and 2009, + 18% between 2008 and 2010).

NORWAY

1. BENCHMARKS

NORWAY

| | | Norway | | EU average | | EU Benchmarks | |
|---|-------------|----------------------|----------------------|----------------------|----------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 79.7 % | 96.6 % ⁰⁹ | 85.2 % | 91.7 % ⁰⁹ | - | 95 % |
| Low achievers (15 year-olds; PISA study results) | Reading | 17.5 % | 14.9 % ⁰⁹ | 21.3 % | 20.0 % ⁰⁹ | 17.0 % | 15 % |
| | Mathematics | - | 18.2 % ⁰⁹ | 24.0 % ⁰⁶ | 22.2 % ⁰⁹ | - | 15 % |
| | Science | - | 15.8 % ⁰⁹ | 20.2 % ⁰⁶ | 17.7 % ⁰⁹ | - | 15 % |
| Early leavers from education and training (age 18–24) | | 13.3 % | 17.4 % | 17.6 % | 14.1 % | 10 % | 10 % |
| Tertiary education attainment (age 30–34) | | 37.7 % | 47.3 % | 22.4 % | 33.6 % | - | 40 % |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 17.1 % ⁰³ | 17.8 % | 8.5 % ⁰³ | 9.1 % | 12.5 % | 15 % |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁶=2006, ⁰⁹=2009

PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Not applicable.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Norway performs below the EU average as regards early school leaving, with a rate of 17.4% compared to the EU average of 14.1% in 2010. The situation has deteriorated since 2000 (13.3%).

The ET2020 national report puts the focus on Lower and Upper Secondary education and training. Regarding the former, the national report refers to a White Paper ‘Motivation — Mastering — Possibilities in Lower Secondary Education’ (Stortingsmelding no 22 (2010–2011)) that aims to increase pupils’ motivation to learn and to give them experience in achieving better qualifications. With a view to Upper Secondary education, the national report refers to the initiative ‘New Chances/New Possibilities’, ‘*Ny Giv*’.

One key feature is improved cooperation with county municipalities. As a result, a common set of indicators has been drawn up with a view to producing comparable data on school drop-outs. The so-called ‘Transition project’, introduced in autumn 2010, focuses on providing follow-up action for pupils with the poorest results to improve their reading, literacy, writing and numeracy skills. The ‘Follow-up Project’ (*Oppfølgingsprosjektet*) is a joint project between the follow-up service and the Norwegian Labour and Welfare Administration (NAV), focusing on young people that are neither in school, nor at work.

3.2. Tertiary attainment

The share of young people with a tertiary degree went up between 2000 and 2010 by about 10 percentage points, amounting to 47.3%. This is above the European average (33.6%) and the EU benchmark to be met by 2020.

The share of graduates in the fields of mathematics, science and technology (MST) in Norway amounts to 11.7% and is below the EU average (41.5%). The gender balance has improved over the years (26.8% in 2000) but the share of females — now 30.1% — is still below the EU average (32.3%).

In 2009, the Norwegian government presented a White Paper setting out its ‘Education Strategy’. It confirms the principle of free higher education. A total of 3 800 new student places were created on the basis of updated needs estimates. The White Paper contains, among other things, measures (1) to monitor how higher education institutions follow up their students, (2) to arrange seminars on best practice to reduce drop-out and (3) to improve teaching methods. The White Paper also addresses cooperation between higher education and the world of work with a view to improving cooperation between universities and enterprises.

Increasing completion rates was one of the main aims of the 2003 quality reform in higher education that set up, among other things, (1) a significant financial incentive for education institutions to improve completion rates, as budget allocations in part depend on student completion rates; (2) a support system for students, in which loans are converted into grants only if studies are completed on schedule and successfully; (3) new forms of student guidance, evaluation and assessment; and (4) an ‘Individual Education Plan’ that sets out student plans and is a tool to compare plans and real progress.

4. MOBILITY

As regards tertiary education, Norway has an outbound long-term mobility (5.1% of students per year) clearly above the EU average, while short-term mobility under the EU Erasmus programme (0.6% of students in 2008/09) is below the EU average.

In 2009, the Norwegian government presented a White Paper on the 'Internationalisation of Education', setting out new measures to ensure the development of skills which are needed in an increasingly globalised world and guiding principles for the internationalisation of education in Norway.

One issue is to render Norwegian education institutions more attractive for *foreign* students and academics (in particular by creating Master programmes in English). The ET2020 national report points out evidence that universities and large university colleges have established solid arrangements for receiving foreign students, while smaller institutions tend to face difficulties in this respect.

The other issue is to increase participation in learning mobility during all phases of learning. Raising awareness of the added value of international mobility is considered important. The Norwegian Mobility Survey (drawn up by the Norwegian Centre for International Cooperation in Higher Education, SIU) presents an annual analysis of factors that influence ingoing and outgoing mobility to and from Norway, including the main barriers to international learning mobility. It identifies as key obstacles among Norwegian students their reluctance to leave the country, partly because they do not see the need to move abroad, and lack of information about possibilities of studying abroad.

There is an economic incentive for exchange and mobility in the Norwegian funding system. Every educational institution is given disbursement for the total number of ingoing and outgoing students. Norwegian higher education students are entitled to portable grants and loans from the State Educational Loan Fund. The same amount is paid regardless of whether the beneficiary studies in Norway or abroad.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Norway does not have a dedicated lifelong learning strategy. However, a White Paper on Education and Training (Stortingsmelding no 44 (2008 – 2009) 'Utdanningslinja') presents measures for providing a coherent and comprehensive strategy. The White Paper was debated in the Norwegian Parliament in March 2010 and covers all levels of the education system, including adult education, with a strong focus on the fact that many young people fail to complete upper secondary education. The ET 2020 national report stresses the benefits of education for individuals, society, the labour market and the welfare state and presents the Norwegian government's aim to strengthen the education system's capacity to form a basis for lifelong learning through introducing new measures in primary and lower secondary schools, upper secondary education and training, vocational schools, higher education and formal and non-formal adult education.

Regarding new skills and jobs, the government strives to improve forecasting models. Statistics Norway published in 2010 a report entitled 'Demand and supply of labour by education towards 2030' with forecasts for future demand and supply of skills. The underlying model (MOSART) will be further developed to present forecasts at a more detailed level. The Ministry of Education and Research is working towards a system that would not only help to project future skills needs but also provide a forum for discussion with

a view to anticipating changing skills needs. In particular, a partial forecast model for future supply and demand for teachers is under preparation.

6. INVESTMENT IN EDUCATION

| | Norway | | EU average | |
|---------------------------------------|---------------------|--------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 5.42% ⁰¹ | 6.51 % | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

⁰¹= 2001

Concerning *Investment in education*, Norway has one of the highest levels of public spending on education in Europe, amounting in 2008 to 6.51 % of GDP (in comparison to 5.07 % as the EU average).

The Norwegian government's point of view is that evidence from the management of the economic crisis in the 1980s showed the importance of investing in education in times of crisis. In response to the recent crisis, the parliament adopted in February 2009 a financial stimulus package with several measures in the field of education and training.

TURKEY

1. BENCHMARKS

TURKEY



| | | Turkey | | EU average | | EU Benchmarks | |
|---|-------------|--------------------|---------------------|---------------------|---------------------|---------------|------|
| | | 2000 | 2010 | 2000 | 2010 | 2010 | 2020 |
| Participation in early childhood education (4 years old — year before start of comp. primary) | | 11.6% | 32.5% ⁰⁹ | 85.2% | 91.7% ⁰⁹ | - | 95% |
| Low achievers (15 year-olds; PISA study results) | Reading | - | 24.5% ⁰⁹ | 21.3% | 20.0% ⁰⁹ | 17.0% | 15% |
| | Mathematics | - | 42.1% ⁰⁹ | 24.0% ⁰⁶ | 22.2% ⁰⁹ | - | 15% |
| | Science | - | 30.0% ⁰⁹ | 20.2% ⁰⁶ | 17.7% ⁰⁹ | - | 15% |
| Early leavers from education and training (age 18–24) | | 58.8% | 43.1% | 17.6% | 14.1% | 10% | 10% |
| Tertiary education attainment (age 30–34) | | - | 14.7% | 22.4% | 33.6% | - | 40% |
| Adult participation in lifelong learning (age 25–64; 4 week period) | | 1.2% ⁰³ | 2.5% | 8.5% ⁰³ | 9.1% | 12.5% | 15% |

Source: Eurostat (UOE, LFS) and OECD (PISA)

⁰³= 2003, ⁰⁶= 2006, ⁰⁷=2007, ⁰⁸=2008, ⁰⁹=2009 PISA: reading: 18 EU countries, maths and science: 25 EU countries

'EU Benchmarks' are defined as 'EU average performance levels' (weighted averages)

2. EUROPE 2020: OUTCOME OF THE EUROPEAN SEMESTER

Not applicable.

3. EUROPE 2020 HEADLINE TARGETS

3.1. Early school leaving

Although Eurostat data suggest that the proportion of early school leavers has decreased by 15.7 percentage points between 2000 and 2010, Turkey has the highest recorded rate in this

report compared to EU-27. One possible reason for this could be the short duration of compulsory primary education (now eight years, extended from only five a decade ago). Another reason is inequality in education according to social class, region and gender. Girls are significantly more at risk of leaving school early than boys, probably because of cultural and economic reasons. In 2007, 39.4% of dropouts were boys, and 55% girls. Geographical differences are a third reason: remote rural regions and villages have some of the highest rates of early school leaving.

The country has set a target of 100% schooling in primary and 12-year compulsory secondary education to increase participation in school education and has taken a number of measures to monitor developments which will indirectly reduce early school leaving. The measures include e-school, a computerised web-based data management system which follows every student for the entire duration of schooling until graduation; and Accelerated Classroom Education Programmes, short-term transition programmes reintegrating 10–14-year-olds that have left education back into primary school. In the framework of the e-school management system, the so-called ‘Progressive non-attendance management’ implemented by the Ministry of National Education (MoNE) is a tool to solve non-attendance through following up individuals in primary education. In addition, the Ministry of Education, together with the Ministry of Labour, has drawn up an ‘Action plan to enhance the relationship between Employment and Vocational Education’ to provide vocational education and training in line with the needs of labour market.

3.2. Tertiary attainment

While the *tertiary education attainment* rate is far below the EU average, Turkey has made progress in increasing the number of *MST graduates*, for which the growth rate has been clearly above the EU average.

Turkey has launched a number of measures to increase tertiary education attainment. For instance, universities have been given, by law, the possibility of starting distance education programmes using ICT. In addition, the number of academic staff has been increased thanks to instructor training programmes, and staff development programmes have been implemented. Moreover, financial resources in tertiary education have been improved, and there are funds directed to providing equal opportunities. A public financial management and control system has been established by law and self-assessment has been established in many areas. Furthermore, to increase rates of entry into higher education and to widen access for underrepresented groups, new universities have been established. The number has grown from 130 in 2008 to 165 in 2011, responding to increasing demand for tertiary education. Finally, to improve completion rates of students in tertiary education, students who stop their studies can re-apply within five years and continue the same courses.

4. MOBILITY

As regards tertiary education, Turkey has an outbound long-term mobility (1.5% of students per year) clearly below the EU average (2.8%), while short-term mobility under the EU Erasmus programme (0.3% of students in 2008/09) is also below the EU average.

In the framework of the EU-funded Lifelong Learning Programme and Youth Programmes, the Turkish National Agency manages mobility in education.

To promote learning mobility, measures implemented include: (1) *in school education* — the ministry promotes mobility easing procedures with circular letters to the target groups

(administrators, teachers, staff of provincial directorates, inspectors and students) and ‘Project coordination teams’ established in 81 provincial directorates and (2) *in higher education* — within the scope of ‘Regulation on Establishing Common Education and Training Programmes’, cooperation with higher education institutions abroad is encouraged to support mobility both for undergraduates and graduates. The Council of Higher Education participates in international projects as a partner to increase mobility (Farabi Exchange Programme).

To promote learning mobility for teachers, the main source of funding is the EU Erasmus programme. In addition, the Council of Higher Education promotes the mobility of staff through projects such as ‘Post Doctorate Research Support’ and ‘Master Research Support’.

The biggest challenge in increasing mobility is that financial resources available remain far below actual demand.

5. LIFELONG LEARNING, NEW SKILLS AND JOBS, OTHER MEASURES

Turkey is in the process of developing and implementing a coherent and comprehensive lifelong learning strategy. With regard to the schooling rate in 2012/13, the following targets are planned: pre-primary education 50%, primary education 100%, secondary education 100% and tertiary education 33%. As concerns *adult participation in lifelong learning*, Turkey has made progress in relative terms, but the participation rate remains among the lowest in Europe. One programme to remedy the situation is the so-called ‘Mother and daughter at school’ adult education programme. Concerning the principles of shared responsibility, effective financial mechanisms, flexible pathways, quality initial education and targeted continuing training, Turkey’s lifelong learning strategy paper has 16 priorities, which are coherent with the Europe 2020 objectives.

In order to improve the assessment of future skills requirements and to match skills better with the needs of the labour market, Turkey has developed several initiatives since 2009. A National Careers Information System has been introduced to facilitate access to vocational guidance programmes for all ages. An Action Plan was released in July 2010 to strengthen the relationship between employment and vocational education as well as to tackle and reduce unemployment. Furthermore, there have been measures in primary education to improve the development of skills, such as guidance for teachers on children’s skills development in areas such as social sciences, technology and mathematics. Turkey has created a National Professional Information System to follow career development processes and support guidance in schools.

6. INVESTMENT IN EDUCATION

| | Turkey | | EU average | |
|---------------------------------------|--------|----------------------|------------|--------|
| | 2000 | 2008 | 2000 | 2008 |
| Investment in education | | | | |
| Public spending on education,% of GDP | 3.48 % | 2.86 % ⁰⁶ | 4.88 % | 5.07 % |

Source: Eurostat (UOE)

⁰¹= 2001, ⁰⁶= 2006

Public investment in education as a percentage of GDP has decreased since 2000 in Turkey, but as a result of robust economic growth it still increased in absolute terms over the same period. The economic and financial crisis has affected education and training budgets. In

2009, the allocation for education as a share of GDP was 3.8%; it decreased to 3.4% in 2010 and rose again to 3.8% in 2011.

In 2011, the Ministry of Education took the largest share of the central management budget in Turkish history, with 34.112.163TL.