



Educate for employment

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In the post-crisis world there will no longer be 'business as usual'. Global economic growth is not driven mainly by developed countries anymore. Emerging economies play an increasingly important role; they are Europe's partners but also strong competitors. Their workforce is better and better educated, they invest heavily in education and training.

Europe's return to sustained growth and job creation depends on its competitiveness in the world. Ensuring that the European workforce has the right skills to deliver the products and services that companies and people need is an essential ingredient for Europe to be competitive on the global stage. To achieve these goals Europe also must change its approach to education.

In December 2012 there were close to 26 million unemployed people in the EU, compared to 16 million in the first quarter of 2008. Of this total around 5.7 million are young people under 25 years of age. At the same time there are 2 million job vacancies in the EU due to a mismatch between the skills of the unemployed and the skills required for the available jobs.

Due to its demographic structure, Europe will also need to replace the 7.5 million workers that will retire by 2020. The demand for highly skilled people is already significant but it will continue to grow in the next decade, while demand will remain stable for medium skilled people and the need for low skilled workers is projected to decline.

Therefore, BUSINESSEUROPE believes that the needs of labour markets must be put at the centre of education and training, in particular vocational education and training. Sufficient investment must be allocated to it in order to increase Europe's competitiveness. Developing an effective industrial strategy for Europe would also be impossible without a well-educated, employable workforce, having the right skills for industry and the related service sectors.

On the supply side there are two strands to putting labour market needs at the centre of education and training. The first is identifying the demands employers have for labour, including what skills are required and in which sectors. The other is how to embed those needs in the education process to help ensure they are really met.

On the supply side, young people in secondary or tertiary grade education need to be aware of the opportunities that

exist when they follow a particular educational path, when they choose the subjects they study or the work experience they undertake. This requires a focus on learning outcomes and can be helped by stronger partnerships between education and training providers, employers' organisations and companies in the design and implementation of school, vocational education, training and university curricula.

BUSINESSEUROPE advocates the principles of work-based learning and the strengthening of dual-learning elements in member states' existing systems. Young people's transition from education to employment can be facilitated by expanding access to dual-learning systems, such as apprenticeships.

In a medium-term skills forecast up to 2020, the European Centre for the Development of Vocational Training (Cedefop) has found that Europe is on its way to an economy where services, knowledge and skill-intensive occupations will prevail. Projections also show that about 15% of jobs in 2020 will be low skilled in nature, while 50% will be medium skilled and around 35% highly skilled.

Inevitably it is hard for companies to have a long-term perspective on skills needs when the demand for their products or services can change frequently, but BUSINESSEUROPE considers that an important area to focus on is science, technology, engineering and mathematics (STEM) skills. We already know that, for example in 2015, the estimated shortage of qualified ICT staff in the EU will be up to 700,000.

STEM ambassadors

BUSINESSEUROPE advocates for greater emphasis to be placed on the EU's industrial sector as a means of stimulating economic growth, competitiveness and, ultimately, job creation. The availability of a skilled workforce, including people with STEM skills, will be an essential element in re-industrialising Europe's economy and keep it competitive in the world. In this respect greater effort must also be made to increase young people's opportunities to work in industry and for industry to benefit from a trained and skilled workforce.

Given the specific nature of STEM subjects, students looking to enrol to related university courses will, to a large degree, need to have developed a background in these subjects during their secondary education. Therefore, it is important to put appropriate guidance and advice services in place for

pupils when they are making their subject choices at school so that their pathway to studying STEM subjects in tertiary education are not restricted.

In order to facilitate students' transition to university and to reduce high dropout rates among STEM students, universities should offer 'taster courses' to overcome knowledge gaps as well as effective advice services. For example, in Germany, BDA and BDI, the federations of German employers and industry, have founded the '*MINT Zukunft schaffen*' initiative ('*Creating a STEM future*') in 2008. It seeks to increase public awareness of the importance of STEM skills.

Now the initiative pools nearly 1,100 projects from companies, business and employer associations and other partners from academia and society. Nearly 9,000 STEM ambassadors inform pupils about STEM career opportunities and serve as mentors for university students. In this way the initiative has created a network of around 64,500 companies, schools and universities that reaches out to 3.5 million young people, teachers and parents.

In Ireland the '*Smart Futures*' national campaign for secondary level students highlights ICT career opportunities. The campaign's website includes career stories and competitions, ICT-related news and an online careers fair. The first '*Smart Futures*' STEM online careers fair took place in 2012, in which students, teachers and careers counsellors took part in online discussions with people from the industry about job opportunities, courses and career choices. In the UK the '*STEM ambassadors scheme*' run by STEMNET currently has about 29,000 ambassadors in industry, acting as role models in schools across the country to promote the opportunities available with STEM skills.

BUSINESSEUROPE would like to see the EU conduct a study on the projected demand for STEM skills, in consultation with employers, and taking into account the current levels of people studying STEM subjects. This study should also list the barriers education providers and employers believe prevent young people from studying these subjects, and identify concrete recommendations for actions at EU and Member State levels.

Entrepreneurial mindset

Encouraging young people to develop an entrepreneurial mindset and skills can have a strong impact on their future employability or lead to them becoming independent entrepreneurs. To foster this, entrepreneurship should be better promoted through, and integrated in, secondary and higher education.

BUSINESSEUROPE believes that entrepreneurialism should be a state of mind. The skills that young people can develop from this are about shaping individuals for their future career. Therefore, it is important that all school pupils have the possibility to take part in work experience that will help them develop these skills. At the same time, tools that are developed to assess the progress and demonstrate the acquisition of entrepreneurial skills should focus on improving the quality of future work experiences, in terms of learning outcomes. Careful consideration must be given,

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of course, to how such tools could be practically applied without overburdening teachers or companies.

A successful example of developing entrepreneurial skills is in Austria where the Entrepreneur's Skills Certificate enables young people to develop economic and labour market competences that will help them in the transition to employment or to become self-employed. This scheme was started in upper secondary schools and has now spread to vocational schools and colleges.

In Italy the Young Entrepreneurs Movement of Confindustria, the confederation of Italian industry, engages entrepreneurs between 18 and 40 years old in management level positions in the promotion of a business culture and the spread of entrepreneurial opportunities in society. It stresses a broader role for entrepreneurs beyond their immediate involvement in their own business initiatives.

Lifelong learning

Of course, the need for more medium and highly skilled people means that labour market needs cannot be met purely through initial education targeted at young people entering the working environment for the first time. There also needs to be provision for lifelong learning to up-skill, and where necessary, re-train the existing workforce. The education and training systems of the EU member states need to improve people's mind-set, motivation and self-responsibility for lifelong learning from the outset.

In a competitive world employees must continuously develop their professional skills. The job that people train for at the start of their career is unlikely to be there in exactly the same format when they retire. Therefore employees need to develop core competences throughout their professional life.

The main responsibility for education policy is and should remain in the hands of national governments – but the EU can ensure that national framework conditions support and reward employer and employee investment in continuing vocational education and training.

In the 21st century the paradigm of a 'job for life' or 'lifetime employment' needs to focus more on 'lifetime employability', with a particular focus on generic and adaptable skills. Therefore it is important that the concept of employability is embedded across all academic disciplines. This covers a range of skills, understandings and personal attributes that make graduates more likely to gain employment, meet

employer expectations and are not detrimental to the values of higher education.

Besides government investments, lifelong learning has become a permanent feature of human resource management with 72% of companies checking the need for further training of their staff in a systematic way and 62% giving employees time off to undertake training. According to the OECD, an individual can expect to receive around 1000 hours of instruction in non-formal education during his or her working life, of which 70% is job-related training sponsored by employers.

The provision and content of lifelong learning varies among member states, which makes it hard to determine a one-size-fits-all approach to adult learning at EU level. For example, while there is no legal right to training in The Netherlands, in a growing number of collective agreements, mostly at company level, the right to an 'individual budget' for education is introduced and individuals can then choose the content of their training. In Spain, workers that have been

employed in a company for at least one year have a right to paid leave of 20 hours per year to follow vocational training.

Continued investment in training is key to the future of Europe's competitiveness. It brings advantages for companies who benefit from an increasingly skilled and capable workforce; as well as for workers who broaden their competences, enabling them to further develop their role and career while raising job satisfaction. It also yields benefits for member states, the EU and all well performing, productive companies by contributing to economic growth and competitiveness both at national and European level.

At the same time, given that government and company budgets are under strain at times of crisis, there is a need for ensuring efficiency through raising the standard of education and training – both initial VET and lifelong learning. Likewise, cost-sharing models should be envisaged between those active in the education process – the state, businesses, individuals, foundations and alumni – who all have a responsibility to provide investment for education. ■