



Education and Culture DG

## STATEMENTS on 'Education and training in a period of economic crisis'

EUNEC Seminar

Limassol, 31 May – 1 June 2010

### EUNEC

EUNEC is a network of education councils in the European Union. As a network, EUNEC brings together the expertise of advisory bodies and of the stakeholders and experts who are involved in the national/regional advisory processes. These advisory bodies give advice to the governments of the different European countries in the field of education and training.

### What are these statements meant for?

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

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

### The seminar

EUNEC organised the seminar on education and training in a period of economic crisis on 31 May and 1 June in Limassol, together with the Cyprus Pedagogical Institute and the Ministry of Education and Culture. 12 countries were represented.

## *THE IMPACT OF THE CRISIS ON EDUCATION*

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### *Negative effects*

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

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

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

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

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

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

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

### *Opportunities offered by the crisis*

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

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

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

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

## THE BENEFITS OF INVESTMENT IN EDUCATION ON SOCIETY

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

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

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

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

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

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

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

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

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

As a means of monitoring progress and identifying challenges, as well as contributing to evidence-based policy making, a series of reference levels of European average performance ('European benchmarks') were agreed on by the Education, Youth and Culture Council meeting (12 May 2009). They should support the strategic objectives outlined in the Council Conclusions. These benchmarks build on the existing ones adopted under the 'Education and Training 2010' work programme. According to the Council conclusions, these benchmarks should not be considered as concrete targets for individual countries to reach by 2020. Rather, Member States are invited to consider, on the basis of national priorities and whilst taking account of changing economic circumstances, how and to what extent they can contribute to the collective achievement of the European benchmarks through national actions.<sup>3</sup>

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

### *Benefits*

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

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

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

### *Pitfalls*

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

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

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

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

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

### National benchmarks.

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

Education councils should be involved in the national targeting exercise.

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

### Which benchmarks?

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

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

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

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

### The role of education councils

Discussion about the national benchmarks is not on the agenda of several national/regional education councils. National/regional education councils will try to raise awareness and to put these national benchmarks on the agenda of their policy makers. In this respect, education councils can learn from each others' experiences within EUNEC.