



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EDUCATION AND CULTURE

Modernisation of Education I: Europe 2020, country analysis, Erasmus+ coordination
Europe 2020, ET 2020, contributions to education, investment package

Brussels,
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Dear Ms Pacini,

Thank you for your e-mail of 23 December 2014, sent to Commissioner Navracsics, in which you refer to a recent article of the Commissioner Navracsics on investments in education. He has asked me to reply on his behalf.

In the view of the European Commission, education is an investment in future growth. This is confirmed by empirical evidence. This evidence shows that education is one of the most important determinants for long-term GDP growth. Good education lays the groundwork for research and development and an economy's innovation capacity, which is a key factor for sustained competitiveness. Good skills and qualifications are vital to avoid unemployment. This was confirmed during the crisis: unemployment in the EU among the low-qualified rose from 15% in 2009 to 20% in 2013, while unemployment among highly-qualified persons went up only moderately from 5% to 6.5%.

I would like to draw your attention to the work of the EENEE, the Expert Network on Economics of Education, financed by the Commission. EENEE published recently a short document on the economic case for education that you can find on their website here:

<http://www.eenee.de/eeneeHome/EENEE/Policy-Briefs.html>

These facts and analysis show investment in education pays. The costs associated to investments in education are offset by the collective and the individual benefits generated by good education.

Another key finding is that investment has to go hand in hand with quality outcomes: Investments in education do not result automatically in higher growth or lower unemployment.

What is decisive, is what people learn, i.e. whether they acquire high-quality and relevant skills and competences. Where structural problems hamper the provision of quality outcomes, education systems need to be reformed and made more efficient.

When we look at the performance of education systems in Europe, we see that there is no reason for complacency: one example are the basic skills that students acquire in mathematics (as tested in the PISA-survey, carried out by the OECD). More than 22% of students show low achievements.

Another example is the high share of early school-leavers that amounts to 12%. The chances of these young people to find a job are diminished: 41% of all early school-leaves are unemployed.

The Commission is of the opinion that it is important to improve education systems so that more people are equipped with better skills and competences. This type of structural reform is promoted at EU-level through the so called Europe 2020 Strategy that aims to deliver smart, sustainable and inclusive growth.

Another key question is the spending on education. The Commission has repeatedly called on Member States to invest in growth-friendly policies, such as education.

The new Investment Plan, launched by President Juncker, seeks to support Member States to meet Europe's investment needs, including in the area of education. The Commission presented in January a proposal for the new European Fund for Strategic Investment and we hope that this new financial tool will be operational mid-2015. You can find more information on the investment plan:

http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

A key challenge for Europe is that young people have been hit hard by crisis. President Juncker has expressed his concerns in his address to the European Parliament on 15 July 2014, when he set out his views on future Political Guidelines for the European Union. The President conjured up the image of a 29th Member State: a state in which young people became unemployed; a state in which we see people excluded, set back and left by the wayside. The EU has to address this problem.

The EU is in favour of a youth-friendly policy which is based on an interactive relation between young people and politicians.

A key issue is to better value the potential of young people. The young generation today is the best educated ever. Many young people have ideas and ambitions that can contribute to the smart, sustainable and inclusive growth we strive for in Europe.

The EU Youth Strategy has two overall objectives: to provide more and equal opportunities for young people in education and in the labour market and to promote citizenship, inclusion and solidarity of all young people. These are two facets of the same coin: through participation in civic and social projects, young people can develop the skills which are so much in demand in the labour market.

I hope that this information and documents can help to support and stimulate your debate.

Kind regards

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Head of Unit