

Check against delivery

Introduction

Ladies and gentlemen,

Thank you for the invitation to be here today. This is an excellent opportunity to share my thoughts on an issue that, I know, is as important to you as it is to me:

What can we do to ensure that people have the right skills to take an active part in today's economy and society?

How can we ensure that what they know and are able to do adds to Europe's competitiveness, employment and social cohesion, and increases their own wellbeing and personal development?

The skills response to today's challenges

Let's go back to basics first.

We all know that Europe's most precious asset is its people.

Our future depends largely on harnessing the knowledge, skills and competences of our citizens. We cannot compete on cost. Europe needs to be innovative and creative.

Only a well-educated and well-trained workforce that updates its skills continuously will allow Europe to stay competitive, improve our standards of living, and keep our influence in the world.

We all know the challenges ahead: globalisation, rapid technological change, ageing societies, increased migration and climate change. We don't want to be

driven passively by these challenges. We want to shape them and benefit from them.

We already know that globalisation, technological and demographic change will translate into higher skills demand on the labour market. Current forecasts point to a growing demand for a high-skilled, adaptable workforce: Europe is likely to lose 8.5 million low-skilled jobs between 2006 and 2015, while we expect 12.5 million additional high-skilled jobs to be created.

Raising our performance in education and training

Are our education and training systems ready for the challenge? Are they giving our young people the best start in life? Are they providing adults with the opportunities for personal development and fulfilling careers? Are they geared up for the essential task of raising skills throughout the population? And how can business get involved?

When we look at how our education and training systems are actually performing, there is still a great deal to do.

We still have 6 million young people, 1 in 7 in the 18-24 age range, who complete only compulsory education, at best.

Adults with only lower secondary education are losing out on continuing training – they are three times less likely to have training than higher qualified workers. Even though they may need it more.

1 in 7 of our 4 year-olds are not enrolled in education. Many of these are children in high need, with a migrant background or from poorer families.

We still face gender inequalities. Boys do less well in reading and have more special education needs. Girls do less well at mathematics. Not enough young women take maths, science and technology.

This may seem a gloomy picture. Yes, we do need to reform. But I am certain that these reforms can help lay the skills base Europe needs.

And I am not alone. The pivotal role of education in deciding Europe's future is now a given.

It is clear that European strategies for growth and jobs, competitiveness, innovation and social cohesion can only succeed if they take education and training on board as a full partner for change – we heard this message several times over from European political leaders this year.

Thinking about education and training has become part of the political mindset of thinking about the future.

So the good news is that the problem has been recognised. But what must we do to move to actual delivery and implementation? What can the Commission do to support Member States' education and training reforms? Because, in the end, it is their policies and their decisions that will make a difference on the ground.

Transforming our systems to give opportunities to all

Every European country is grappling with the same challenges: how to devise education and training systems that sacrifice neither **quality** nor **efficiency**? How to ensure that education is **equitable**, and prepares young people for **active citizenship**, so that everyone has access to all the opportunities our societies provide? How to transform education, so that it inculcates **creativity** from the earliest age, so that our workers and our entrepreneurs have the means to be **innovative**, and can embrace rather than shrink from change?

Demographic changes will mean that people stay in work for longer. Technological advances and globalisation imply flexible careers, moving from

job to job, and moving between countries if the right opportunities appear. Our education systems must really become systems of **lifelong learning**.

We must identify the priorities that enable us to respond.

One priority is **mobility in learning**, where we need to take a qualitative step forward. I am very proud of the Erasmus programme; I would be very happy if we could support even more students with it. But Erasmus in itself is not enough – both in terms of numbers, and in terms of participants.

Mobility brings well-documented benefits to those who take part. It is not just the academic experience. Erasmus students gain confidence, self-reliance, intercultural skills – skills that are prized in a high-skilled, mobile labour market.

We should extend mobility into vocational education and training, where the individual benefits will be just as great. National mobility programmes should grow, so that mobility is the norm rather than the exception for our young people. Company schemes will bring the benefits of mobility back to the workplace.

We should focus on the **basic skills - literacy, numeracy, science & technology**. The latest PISA results on reading literacy were a wake-up call: on average, European performance is deteriorating rather than improving. When many of our competitors are racing forward, we cannot afford to slip back. We cannot afford to leave anyone behind, as the conference title aptly puts it.

We should look at access and the quality of **early childhood education**. We all know, a good start is half the battle. Investing in our children's early years is a crucial step in making education more equitable – opening access to all; and more efficient – because it forestalls failure later on.

Migration is an important issue here. Migration and internal mobility flows have both increased in the EU. They pose a challenge of how to cater for the needs of a more diverse school population.

Education is central in integrating new groups in society. But at the moment, many children of migrant background perform less well in school than their native peers.

In some countries, second-generation migrant pupils perform less well than their parents' generation –the social divide may well deepen over time.

At the same time, segregation in schools is on the rise, as socially advantaged parents tend to withdraw their children from schools with high numbers of migrant pupils.

We published a Green Paper in the summer, where we pointed to some educational measures that have successfully helped with integrating immigrant pupils. I am confident that the debate on the Green Paper will identify ways in which the EU might in the future usefully support Member States in this area.

New skills for new jobs

All the children we are talking about face an uncertain future. Gone are the days of leaving school with a few qualifications, finding a good job and staying there until you retire on a decent pension. In today's, and tomorrow's reality, individuals will change jobs – voluntarily, one hopes, but also involuntarily, in response to outside events.

Education is an insurance against such uncertainty.

The pace of change means we must also anticipate challenges and ensure a better match between the demand for and supply of jobs and skills.

Our EU initiative "**New Skills for New Jobs**" that you will discuss later will create new instruments for analysing and anticipating labour market requirements. It will help us identify the right skill mixes so that we can train and prepare workers for the new jobs that will come on-stream – many of them jobs that don't even exist as yet – as well as to train workers in the sectors where, we know, demand will increase.

Current forecasts point towards a growing demand for a high-skilled and adaptable workforce, but also foresee the creation of new jobs in the less qualified occupations, particularly in the services sector. The overall picture is, as I mentioned right at the start, that a general rise in qualification requirements across the jobs market as a whole is expected: strong growth in demand for people at the highest qualification levels and, to a lesser extent, at medium-level and a sharp decline in jobs with no, or low, formal qualifications

We should also aim at an 'optimal skills mix'. We will still need specific, technical skills. But the optimal package will also include the 'learning to learn' aptitudes – such as creativity, problem-solving, analytical and intercultural skills.

These are the skills that employers increasingly look for. They are also the skills that workers can use to guide themselves successfully through a more varied working life. They are the outward-looking skills that enable us to build cohesive communities in an increasingly multicultural society.

Involving business in our education challenges

New Skills for New Jobs will only get off the ground with the input of business, who can tell us what they really need.

In fact, I am convinced that more business involvement with education and training can only strengthen our response to today's challenges. Let me sketch out a few examples.

Take **schools**. The environment where young people are learning and living is completely different from the one we lived in. They need to have the 'big picture in mind'. They need new skills that are not traditionally taught in schools – managing their learning, problem-solving, social, civic and entrepreneurial skills. Business relies on these skills, and can work with schools in transmitting them.

Partnerships with business can provide a real-life environment and release an entrepreneurial spirit in schools. This can be especially good for young people who are at risk of dropping out from school, because it doesn't seem relevant to working life.

Business and vocational training are old friends. But even friends need to talk... Expanding public-private partnerships will help ensure better communication and a better fit between skills and labour market needs. Business should continue to integrate learning into working and promote work-placed training.

At the same time, Europe's learning needs cannot be met by focussing exclusively on young people. Upskilling **adults and low-skilled workers** is equally important.

As the proportion of people working falls, Europe can only stay competitive if everyone uses their full potential.

Business, professional bodies and industry sectors must get more involved in continuous training – for example, in tailoring specific skills development programmes.

Industry sectors can develop training packages to custom-build skills in that sector. These also work in favour of mobility, because they span a whole sector, across national borders.

We have been making the case for closer business involvement with **higher education** for some time. To make educational programmes more relevant to the workplace; to develop mobility schemes; to benefit from private-sector funding; in management and governance. I have launched a University-Business Forum to build links between the different interests.

This partnership approach – involving business, universities and research centres – is the basis of the Commission's flagship initiative, the **European Institute of Innovation and Technology**, which we launched just yesterday in Budapest. My hope is that the EIT can grow quickly to make a major, direct contribution to Europe's skills needs. It should become a substantial provider of highly qualified postgraduates in cutting edge fields which the new Governing Board will start defining in the weeks and months ahead.

The education it provides should be innovative both in the subjects it covers and in the approaches it uses – it should put the emphasis on interdisciplinarity and not simply on excellence in a single technical field. Its graduates should be leaders in their specific knowledge fields, but also entrepreneurially open.

As I said, I see it making an important direct output but also, by working through partnership in new ways, by pioneering new fields and new approaches – shaking up the way that Europe's education, research and innovation institutions work.

Conclusion – creating space for innovation

The Institute will be the powerhouse of Europe's innovation potential. But innovation is for everyone – this is why I have proposed that 2009 should be the **European Year of Creativity and Innovation**.

We need to ensure that formal learning, and the acquisition of an ever-growing body of knowledge, does not extinguish the creative spark.

As Rousseau himself said: "It is too difficult to think nobly when one thinks only of earning a living."

Now more than ever, creativity, innovation and a sense of entrepreneurship are essential, and they need to be widespread throughout our society and economy.

As Sir Ken Robinson puts it, creativity is not just for "the creatives" – the people who are allowed to turn up to work late, who don't have to wear suits, and live secret working lives in a separate "creative department".

Beyond the traditional awareness-raising, I hope this European Year will trigger discussion across Europe on how education and training can stimulate people's creativity. How education and training can impart the self-belief and the skills to be the true innovators and entrepreneurs who will help shape Europe's future.

Thank you.