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The European governance of education: progresses and challenges

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Policy recommendations

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In recent decades the European Union (EU) has put increased emphasis on education and training as a strategic area able to contribute to economic development and a more inclusive society. Soft governance has contributed to progress in attempts to coordinate national policies and institutions. However, national performances and trends are still far from the targets set by the EU. To explain this contradiction between EU ambitions and its limited influence on national performance, we look at the policy content of EU economic and social governance. The inconsistency between short-term fiscal consolidation and long-

term social investment seems to be one of the sources of the contradiction. Moreover, this inconsistency has become more acute since the 'Great Recession'. If the EU wishes to make progress in this area, a more coherent set of incentives favouring long-term investments has to be implemented (through revision of the stability rules and/or using the EU structural funds to help Member States invest in this area).

Introduction

Although the EU has traditionally put education and training policy on its agenda, a new impetus arose at the end of the twentieth century through intergovernmental agreements and the Lisbon Agenda. Under the umbrella of Europe 2020, the EU has further emphasised the strategic role that education and training play in the 'knowledge-based society', while providing more coherent coordination of national policies at the crossroads between economic and social domains (see Agostini and Capano, 2013).

In the following, we look at three main aspects: the structure of EU governance in education and training, its policy content and its influence on national performance. Section 1 summarises the EU tools in the area. Section 2 focuses on the progressive attempt to achieve better coordination through Europe 2020: the focus is on the structure of governance and its policy content. Section 3 provides some evidence on recent trends in education and training policies: national performances – in terms of public spending and outcomes – seem a long way from reaching EU targets. Section 4

concludes, explaining the contradiction between ambitious and more coordinated governance and the still limited influence of the EU on national policies, relating it to the inconsistency of EU policy priorities (torn between austerity and more social investment).

1. The instruments of European governance of education and training: a brief description

Like the previous Maastricht Treaty, the current Lisbon Treaty explicitly excludes any harmonisation of education and training policy.¹ Articles 165 and 166 permit joint action in the field of education and training, while fully respecting the responsibility of

¹ Cooperation in the field of education goes back a long way (Pépin, 2006; Ertl, 2006), even though the EU has limited competences in this area.

Member States for the content and organisation of these policies (West, 2012: 9). These limited competences have been consistent with the emergence, especially since the end of the 1990s, of soft modes of coordination (through both intergovernmental agreements² and the Open Method of Coordination, OMC).

Education and training work programme

Under the umbrella of the Lisbon Strategy, the 'Education and Training 2010' (ET 2010) work programme established the first solid framework for European cooperation and introduced OMC in the field. Cooperation was renewed in 2009, when 'Education and Training 2020' (ET 2020) was launched. Both ET 2010 and ET 2020 set strategic objectives for EU policies and benchmarks to be achieved at national level in order to evaluate national performances.

The new focus on education and training was largely inspired by the 'activation' approach to social policy, the theory of which was set out in the Delors White Paper of 1993. After the White Paper, education and training was seen much more as 'a driver of economic development through its impact on human capital and on future productivity' (West, 2012: 19) than as a compensatory measure for industrial restructuring and sectoral recovery.

The benchmarks set for ET 2010 and ET 2020 show a degree of continuity (Table 1), even though the latter are more ambitious. First, the new benchmarks have raised the bar. Secondly, there is a new focus on early childhood. Furthermore, the focus on medium-level educational attainment – the chosen benchmark being that 85 per cent of young people should complete upper-secondary education – has been replaced by a new benchmark focusing on tertiary educational attainment (ETUI, 2011).

Table 1: ET 2010 and ET 2020: Strategic objectives and benchmarks

ET 2010	ET 2020
Strategic objectives	
Improving the quality and effectiveness of education and training systems in the EU	Making lifelong learning and mobility a reality
Facilitating the access of all to education and training	Improving the quality and efficiency of education and training
Opening up education and training to the wider world	Promoting equity, social cohesion and active citizenship
	Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training
Benchmarks	
By 2010, an EU average rate of no more than 10 per cent of early school leavers should be achieved	By 2020, an average of at least 15 per cent of adults should participate in lifelong learning
The total number of graduates in mathematics, science and technology in the European Union should increase by at least 15 per cent by 2010, while at the same time the level of gender imbalance should decrease.	By 2020, the share of low-achieving 15-years olds in reading, mathematics and science should be less than 15 per cent
By 2010, at least 85 per cent of 22 year olds in the European Union should have completed upper secondary education	By 2020, the share of 30–34 year olds with tertiary educational attainment should be at least 40 per cent
By 2010, the percentage of low-achieving 15 year olds in reading literacy in the European Union should have decreased by at least 17 per cent compared to the year 2000	By 2020, the share of early leavers from education and training should be less than 10 per cent
By 2010, the European Union average level of participation in lifelong learning should be at least 12.5 per cent of the adult working age population (25–64 age group)	By 2020, at least 95 per cent of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education
	By 2020, the share of employed graduates (20–34 year olds) having left education and training no more than three years before the reference year should be at least 82 per cent
	By 2020, an EU average of at least 20 per cent of higher education graduates should have had a period of higher education-related study or training (including work placements) abroad, representing a minimum of 15 ECTS credits or lasting a minimum of three months.
	By 2020, an EU average of at least 6 per cent of 18–34 year olds with an initial vocational education and training qualification should have had an initial VET-related study or training period (including work placements) abroad lasting a minimum of two weeks, or less if documented by Europass

Source: Agostini and Capano (2013).

² In 1999, the Bologna Process represented the first intergovernmental effort for a more coordinated approach to education. In 2002, it was paralleled by the Copenhagen Process on vocational education and training (VET) (see Agostini and Capano, 2013).

2. Broader EU socio-economic governance: attempts to achieve more consistency

In recent years, these processes have been integrated into the broader EU economic and social governance. As stressed by some scholars, higher education – but also vocational education and training – has been absorbed by the Lisbon Agenda through the progressive convergence of documents and declarations. This has favoured a process of ‘Lisbonisation’ (Capano and Piattoni, 2011). Europe 2020 represents an even more ambitious step.

Europe 2020 and the European Semester

Europe 2020 represents the ‘road map’ to be followed by the EU for smart, sustainable and inclusive growth. In June 2010, the European Council set ‘five EU headline targets’ to be translated into national targets. One of them concerns education and training. It highlights the need to improve education levels, in particular by reducing school drop-out rates to less than 10 per cent and by increasing to 40 per cent the share of 30–34 year-olds who complete tertiary or equivalent education. Among the ten ‘Integrated Guidelines’ proposed by the Strategy, Guideline 9 explicitly refers to education and training and the need for ‘improving the performance of education and training systems at all levels and increasing participation in tertiary education’. Other Guidelines involve education and training as an essential part of active labour market policies. This is true of Guideline 8, which refers to the need to ‘[develop] a skilled workforce responding to labour market needs, promoting job quality and lifelong learning’.

Europe 2020 also introduced seven flagship initiatives to promote progress on the priority themes and incorporate a wide range of actions at international, European and national level. Three flagships have to do with education and training policies. ‘Youth on the move’ aims to respond to the challenges young people face and to help them succeed in the knowledge economy. It is

a comprehensive package of policy initiatives on education and employment involving young people in Europe. ‘An agenda for new skills and jobs’ is aimed at improving Member States’ ability to anticipate the skills needs of European citizens and employers. The European Platform against Poverty and Social Exclusion is more oriented toward social policy goals: in it, one key action is related to improving access to work, social security, essential services (healthcare, housing and so on) and education (Frazer et al. 2010; Vanhercke 2011). The key role of education and training in Europe 2020 is summarised in Table 2.

In 2010, in order to ensure more consistent and effective socio-economic governance, the Council introduced the European Semester. The Semester starts each year with the ‘Annual Growth Survey’, which identifies the main economic challenges and gives advice on policies. The three Annual Growth Surveys (published for 2011, 2012 and 2013) reaffirmed the strategic role of education in supporting growth, employment and competitiveness. The most recent Annual Growth Survey (published in November 2012) confirms the five priorities fixed for the previous ones: (i) to pursue differentiated growth-friendly fiscal consolidation; (ii) to restore normal lending to the economy; (iii) to promote growth and competitiveness for today and tomorrow; (iv) to tackle unemployment and the social consequences of the crisis; and (v) to modernise public administration (European Commission, 2012a).

The first priority refers explicitly to the need to prioritise sustainable growth-friendly expenditure in areas such as research and innovation, education and energy. In other words, the Commission recommended to Member States that they be selective in the reduction of public expenditure and encouraged the maintenance of future growth potential. Within the third priority, the Commission highlights certain ‘framework conditions’ for promoting growth and competitiveness. Among them we find the need to raise the performance of education and training systems and overall skill levels, as well as for better links between education and work. Finally, the fourth priority refers to education, through its emphasis on the need to support the employability level of young people and the long-term unemployed.

Table 2: The role of education in Europe 2020

EU priorities	(10) Integrated guidelines	N. 8 Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning N. 9. Improving the performance of education and training systems at all levels and increasing participation in tertiary education
	(5) Headline targets	The share of early school leavers should be under 10 per cent and at least 40 per cent of 30–34 years old should have completed a tertiary or equivalent education
EU-level tools	(7) Flagships	‘Youth on the move’; ‘An agenda for new skills and jobs’; ‘European Platform against Poverty and Social Exclusion’
	European Semester	Annual Growth Survey; Recommendations
National level tools	National Reform Programmes (NRPs)	Include national targets on ‘early school leavers’ and ‘tertiary education’

Source: Agostini and Capano (2013).

Continued risks of inconsistency in its policy content

As stressed by many, both the Lisbon Strategy and Europe 2020 acknowledge a risk of tensions between budgetary and social goals (see Pochet, 2005, 2010; Pisani-Ferry, 2012; Vandenbroucke et al., 2011). This is particularly the case since in Europe 2020, because two goals coexist: budgetary stability and the need to develop 'growth-friendly' measures (including education and training policies). The evident contradiction is between austerity measures and the (social) investment in education that is assumed to be crucial to foster economic growth. The latter is consistent with long-term returns but implies short-term costs (in budgetary terms). If no explicit incentives are envisaged for the Member States, national governments risk being subject to huge budgetary constraints while forgetting long-term investments. Such a risk of contradiction has been particularly acute since the economic downturn and the euro-crisis. The key feature of the European Semester is that it pursues fiscal austerity while at the same time seeking to increase growth potential through structural reform policies (Leschke et al., 2011). However, such an approach is likely not only to be ineffectual in reducing unemployment, but also to have negative distributional effects and to be 'inimical to the goal of stable and inclusive growth' (ibid.: 249).

Analysts have proposed alternative strategies to put more emphasis on the growth dimension (see Vandenbroucke et al., 2011). One option is to exclude investments in education and training from the calculation of the deficit and debt/GDP ratio (which are still crucial for the EU). A second (complementary) option is to direct EU structural funds towards education and training in such a way as to distribute resources especially to those Member States that need to boost their competitiveness and growth potential. The new Social Investment Package of 2013 represents a first attempt by the Commission to reshape its social policy priorities and focus more on social investment (in which education and training play a big role) (European Commission, 2013).

3. EU governance of education and training: what influence at national level?

Despite the increasing attention given to this area, the impact of the EU strategies on education and training (we focus here on both Lisbon and ET 2010, and Europe 2020 and ET 2020) at present looks limited. In the following section, we look at two indicators: public spending on education and actual improvement of the performance of education in terms of the number of early school leavers and completion of tertiary education (the two benchmarks making up the headline target proposed by Europe 2020).³

When we look at trends in public spending on education we see a slight increase in the first decade of the twenty first century: from

5.1 per cent of GDP in 2004 to 5.4 per cent in 2010 (European Commission, 2012b).⁴ However, many countries have not followed the approach of systematically increasing public expenditure: this is the case with regard to Eastern (for example, Bulgaria, Romania) and Southern European countries (for example, Italy, Greece and Portugal), where public expenditure has stagnated or decreased. This gap has become even more evident during the most recent economic crisis. In some countries the economic crisis has seriously impacted public education budgets. A number of Member States have decreased public investment in education and training by reducing the number of teachers and freezing their salaries, reorganising educational provision and cutting expenditure on infrastructure. While one-third of European countries have not registered any decrease in real public expenditure in education (in absolute terms rather than as a percentage of GDP) from 2007 onwards, several countries have experienced a drop in real public expenditure for one or several consecutive years. This occurred over three consecutive years in Italy (2008–2010) and Hungary (2007–2009) and for two consecutive years (2009 and 2010) in Bulgaria, Greece, Latvia and Romania. However, the level of public expenditure remained higher in 2010 than it was in 2000 in all these countries except Italy. When looking only at the central budgets for education in 2011 compared to 2010, there was a more than 5 per cent decrease in the education budget in six countries. However, the reasons for these reductions are partially explained by the demographic evolution and only in some countries by anti-crisis measures⁵ (ibid., 11).

As for the Member States' performance in reducing the number of early school-leavers and improvements in the numbers completing tertiary education, an implementation gap clearly exists. At the end of the period of the Lisbon Strategy, the benchmark for early-school-leavers was not reached. In 2010, the EU27 average level was 14.1 per cent (as against the benchmark of 10 per cent) (European Commission 2011a). When we look at Europe 2020 (where the benchmark has been confirmed), in the Commission's view the first programmes presented by the Member States represent a good starting point, but their commitment is not enough to fully achieve the Europe 2020 targets. On the basis of updated projections in the field of education, a rate of 10.3–10.5 per cent early school-leavers will be achieved by 2020,⁶ missing the European target (European Commission, 2011b). If we look at data for 2011, Southern European countries are those with the most problems: Malta (35.5 per cent), Spain (26.5 per cent) and Italy (18.2 per cent) in particular (European Commission 2012b, 15).

4 But the figures for expenditure on education as a percentage of total general government expenditure – so as to neutralise the effect of stable/negative GDP growth in recent years – show a more disappointing trend (as stressed by Agostini and Capano, 2013).

5 One area that has been more affected is the financing of human resources: one-third of European countries or regions report that the economic and financial crisis has had a direct impact on their teaching workforce. Especially since 2010, the effect of the economic downturn and the pressure on public finances has been much more pronounced. This has been reported by Ireland, Greece, Spain (reduction mainly in 2010/11), Portugal and Slovenia (mainly in allowances). In Italy a salary freeze has been applied.

6 This is confirmed when we look at historical trends. Since 2000, the decrease in ESL has, on average, been slow. There has been an annual reduction of less than 0.4 percentage points, adding up to a total of 4.1 percentage points in the past 11 years. This trend would mean that the EU is missing its target for 2020.

3 The EU has not set a benchmark for total public spending but has always stressed the need for more investment. By contrast, the other indicators are related to the official benchmarks.

For tertiary education, the national targets suggest an attainment level of around 37.6–38 per cent in 2020, below the headline target of 40 per cent (European Commission, 2011b). However, if we look at recent historical trends, the 40 per cent target set for 2020 looks within reach as, by 2020, the EU will need less than half the progress observed in the previous decade.⁷ But here again Southern European Countries performed poorly in 2011 (with a trend below the EU average): Italy (20.3 per cent) and Greece (28.9 per cent) (European Commission 2012b, 22).

Conclusion

If we look back over the past few decades, the EU has increased coordination of national education policies. While much progress has been made in EU governance structures, trends at national level – especially in terms of spending and performance – have not followed suit. Evidence proposed in this policy brief confirms such an apparent contradiction between EU attempts and actual results: public expenditure on education has improved slightly in the past decade – as a percentage of GDP but not in absolute terms – but the recent crisis has led to cutbacks. The Europe 2020 target for reducing the share of early school leavers (to 10 per cent) will probably not be met, while there are also doubts concerning the target on the completion of tertiary education. To explain this we have stressed the inconsistency in the policy content of EU socio-economic governance: between the demand for austerity measures, on one hand, and the support for investment in education, on the other. As proved by data on public spending, this has been particularly evident for Southern European countries (those hit by the crisis and under stricter budgetary control), which need more investment in education and training but in fact are lagging behind. This proves that if we want to see more evident progress in the performance of education and training systems and labour markets, we need more consistent socio-economic governance. More effective incentives should be provided to help the countries under severe budgetary pressure: an agreement not to count spending on education and training in the deficit and debt/GDP ratio, and/or a system for directing the structural funds to an effective (social investment) strategy for boosting Member States' growth potential.

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⁷ The Lisbon Strategy and ET 2010 used a different benchmark: upper secondary attainment at 85 per cent: in 2009 the EU average stood at 78.6 per cent, with very low levels in Spain (59.9 per cent), Portugal (55.5 per cent) and Malta (52.1 per cent).

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