Second Leaders Joint Proposal on:

Making Business-Education Partnerships the New Norm across Europe
European Pact for Youth

This document comprises the ideas originating from the diverse group of Pact Sherpas and acts as the base for the short document provided to the Pact Leaders. The short document contains key messages, which are sufficiently directional and strategic, without pre-empting solutions.

What do we mean by Leaders Joint Proposals?

“To contribute to the EU and national policies on skills for competitiveness and employability, we commit, as business leaders to work with the supportive organisations of the Pact, to elaborate joint action proposals (...) leading to more significant and long-standing impact for the benefits of young people and companies”.

Through these proposals, we want to provide a strategic vision and input on how Europe can act as a game changer (1) to make fair and equitable business-education partnerships the new norm, (2) to offer VET/apprenticeships as an equal choice for youth, and (3) to embed entrepreneurship skills in formal and non-formal education across Europe.

Each proposal will articulate concrete solutions that: (I) respect subsidiarity with Member States and public bodies in collaboration with other actors working on the ground, (II) target high ambition, (III) can be felt by the people, and (IV) are easy to engage in.

The proposals will be accompanied by National Action Plans (NAPs). These plans indicate regional and/or national priorities to work on that can act complementary to help achieve the Leaders’ Joint Policy proposals. In addition, the Leaders will examine how they can practically support the solutions that they present in the first joint proposal.

The joint proposals will be presented together with the other Pact results at the 1st European Enterprise-Education Summit in late 2017 and to the EU leaders supporting the Pact. They will also be addressed to the European Heads of State and Governments (see annex).

Disclaimer: the Joint Proposal’s ideas and content do not reflect the opinions of each individual organisation, only the overall consensus of the European Pact for Youth partners. The European Commission is not responsible for any use that may be made of the information in this proposal.
Business-education partnerships

The current situation in Europe

At present, around 40% of European employers say they face difficulties in finding the right people with the right qualifications (1). Yet, at the same time, education providers are twice as likely as youth or employers, to consider recent graduates adequately prepared for the labour market (see also figure 1). Currently 70 million Europeans lack basic skills, which is increasing their risk of unemployment and social exclusion. The demand for digital and high-end skills already exceeds supply, which in the future is expected to grow further (2). Amongst the top five skills shortage occupations across Europe are ICT professionals, medical doctors, and science, technology, engineering and mathematics (STEM) professionals (3).

![Figure 1: Education providers are twice as likely as employers and youth to rate the youth as prepared for the job market (4).](image)

In 2015, over 7 million young people were considered to be neither in employment, education or training (NEET) (5). Young people whose career choice is poorly matched to their educational plan have an increased risk of becoming a NEET. On the other hand, if young people are exposed to four or more interactions with employers, they are five times less likely to end up a NEET (6).

In order to put an end to these aforementioned pervasive statistics, the European Skills Agenda is proposing numerous actions with a strong appeal for partnerships. The agenda makes an explicit reference to the European Pact for Youth, which in turn is all about boosting business-education partnerships, as this is the responsibility of all involved stakeholders. Meanwhile, at the State of the European Union and the Bratislava Summit (16/09/2016), European leaders have given strong signals to make youth a top priority of the European project. This follows a global trend, through the United Nations Sustainable Development Goals, where education stands central in goals number 4 (quality education), 8 (decent work and economic growth) and 17 (partnerships for the goals).

5. According to Eurostat in the age group of 15-24 year olds
Benefits and obstacles to business-education partnerships

There are numerous benefits for education providers to engage directly with employers (from private, public and third sector), and vice versa. In essence, employer presence in education can create shared value by aligning curricula with the skills needed for employment. As active co-developers of skilled workforces, employers, through partnerships, help close the skills gaps and increase employment prospects.

These benefits, depending on the type and duration of a partnership, are usually accrued to all involved parties. For example:

(I) Employers establish a long-term competitive advantage in human capital. They help young people to develop the needed attitudes and skills, whilst also securing their talent flow. Consequently, employers enhance workers’ employability, contribute more directly to fighting the current gap in skilled workers, as well as drive economic growth;

(II) Education is exposed and adapted to the dynamic and changing economy. By bringing real-life contexts into the classroom there is improved learning and teaching. Sometimes this also enables schools to be exposed or gain access to state of the art equipment; and

(III) Youth enjoy improved education, are better prepared for the future of work, have increased employability prospects, advanced skills development and make better informed decisions on their future careers.

With the current youth employability problems and the benefits of business-education partnerships in mind, there is a need for a new paradigm where Europe creates an environment that allows for structural business-education partnerships.

However, establishing business-education collaboration is still difficult for numerous reasons:

• **Cooperation** in the field of education is much less common than levels of R&D collaboration, with the exception of cooperation in the mobility of students. This holds especially true in the system outside the formal vocational component. Most links are superficial – not unknown but low volume and largely focused on ‘pupil progression’ through education (i.e. on individual subjects or school year). Practices are highly fragmented, where only a minority have a routine engagement in supporting directly the teaching or through providing teaching materials, or support to senior managers.

• Too little good information leading to a limited understanding of successful partnerships and what works in careers and employers, as well as in schools and non-formal education. As a consequence, from time to time education lacks the trust, expertise and resources, as well as motivation to work together with employers or vice versa.

• Barriers to effective engagement and collaboration are multi-level, ranging from the national policy environment to internal institutional level. At intermediary level, there is a clear lack of intermediary organisations (those that instigate, facilitate and/or support the implementation of a business-education partnership at regional/local level. Examples include public or private employment services, non-profit organisations in education, enterprise networks or chambers of commerce, foundations, etc.). They are necessary to amplify the excellent work of others, provide information, infrastructure and access to funding, and to offer coordination support to join the dots for local business-education partnerships at all levels of education. In addition, teachers might be deprived of resources, hindering them to embark on partnerships.
Benefits and obstacles to business-education partnerships

• Some businesses struggle with (I) limited leadership support as it relates to multiannual investments in programming with limited immediate measurable types of impact; (II) identifying the right pathway (individual or organisation); (III) financial (costs); (IV) credibility (demonstrable value to employer and employee or towards schools and educational systems); (V) time (availability); (VI) student support in their workforce (lack thereof); (VII) lack of relevance and outdated curricula (albeit recent reforms in some Member States’ curricula), and (VIII) coaching/tutoring where seniors imminently leaving employment coach the young, hereby providing him/her with the necessary skills and experience.

• More broadly in terms of cooperation: (I) lack of flexibility and responsiveness on either the school or the employer’s side (too slow, too static, complicated systems and bureaucracy); (II) poor communications (lack of a common language for mutual understanding); (III) different perceptions; (IV) working patterns of timescales; and (V) limitations in conducting long-term studies (e.g. because lack of resources or inability to track what becomes of students over a long period of time).

Ideal situation

As leaders of the European Pact for Youth, our vision is to make Europe the best place for youth to learn, work and innovate a sustainable living. We want governments, employers, education and civil society to have a shared responsibility in enabling citizens to embrace the complexity of the 21st century. In this vision, education becomes the centre stage where government, education providers, employers and civil society come and work together. This can be achieved by making business-education partnerships the new norm across Europe. In such a situation:

• Young people, already at an early stage, be it physically or virtually, connect with the world of work and innovation to get better equipped for the low carbon, circular, digital and inclusive society they aspire to. For this they need to be well informed and have access to information regarding:
  1. All educational paths that exist, with especial focus on science, technology, engineering, arts and maths
  2. The future career path options, incl. entrepreneurship as a career choice

• Teachers are supported by enterprises, civil society, social partners and intermediate bodies, not to compromise freedom of teaching, but to improve the design and delivery of curriculum for employability skills, transversal skills and global competence. Thereby, innovative pedagogic approaches are developed, which contribute to the relevance of content to the learners’ lives and future careers. Teacher training needs to be improved in order to make business-education partnerships more effective. In addition, exposure to employers fosters a better understanding of the (future) world of work and the present and future risks and opportunities of the dynamic labour market.

• Employer engagement in youth education, youth employability and youth entrepreneurship is done in a smart and long-term way as part of the strategic and long-term business success decided at boardroom level.

• Education is about the delivery, evaluation, certification of a smart mix of skills (basic, soft, transversal and hard skills) that helps prepare learners in their transition to jobs. As such, the success of schools (primary, secondary and tertiary) is also measured on what becomes of their graduates.
We, as Leaders of the European Pact for Youth, propose:

**A vision to:**

“Make Europe the best place for youth to learn, work and innovate a sustainable living”

**Targets for Europe in 2030:**
- Each **young person** gains learning experiences with the world of work
- Each **teacher** benefits from a partnership to enhance his/her leadership and professional development
- Each **school** measures its success also by what becomes of its graduates
- Each **employer** integrates youth and education in its planning for success
- Each **EU Member State** scores top performance on the Sustainable Development Goals (SDGs 4, 8 and 17)
- **EU** is a recognised partner of choice for youth, parents, schools and employers, civil society and social partners

As such, we propose the following reforms and measures:

- **Mainstream business education partnerships**
  - Business Blueprint on embedding education investment
  - International guidelines for employer and investor reporting on investments in education and skills

- **Make business-education partnerships mandatory**
  - Bold reform agenda to:
    - Strengthen youth’s career and education orientation
    - Deliver, assess and certify soft skills
    - Empower teachers and school directors
  - Accompanying measures to inspire, support and incentivise

- **Simplify, optimise and enhance branding of initiatives**
  - One-Stop-Shop “Europe for Youth”
  - Embed soft skills in Europass, Youthpass, or similar tool

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At business level

We, as leaders of the Pact, propose for the businesses and investors to integrate youth and education in their planning and practice, thereby further mainstreaming their engagement with education. To this end, we intend:

- To develop, by the year 2020, a “Business blueprint to embed education in business planning, practice and integrated performance”. The Blueprint will inspire others and provide them with the tools to replicate such efforts. In order to do so, it needs to include at least the following main aspects:
  
  **The business case:** for bringing the classroom into the boardroom. The case needs to be made clear about the potential impacts and competitive advantages that are accrued by smart and long-term engagements with education. For example, as a means to fulfil internal demand for skilled labour, enhancing the (corporate) brand, implementing the Bologna process, and promoting a modern development philosophy.

  **A framework:** to help enterprises embed their engagement in education and youth employability with quality framework for apprenticeships, within their business strategy, practice and value chains. A framework should provide practical steps on how to design robust projects, setting out what each of the partners can achieve through collaborations, what core competences an enterprise is able to contribute to and how to measure and report on the results of each partnership.

  **A toolkit:** including best practices, research findings, tools and useful links to supportive programmes and potential partners at national, European and International level.

- To develop, by the year 2025, international guidelines for employer and investor reporting on their investments in education and skills. We intend to do this in collaboration with relevant international actors/institutions (e.g. the World Business Council for Sustainable Development (WBCSD), the United Nations Global Compact (UNGC); the Global Reporting Initiative (GRI), the International Integrated Reporting Initiative (IIRC), Ethos Brasil, WTO China, CSR Europe, Global Apprenticeship Network (GAN), etc.).

At Member State level

We, as leaders of the Pact, propose that each Member State embeds business-education partnerships in all their education systems (primary, secondary, tertiary) with the aim to:

- Strengthen youth’s orientation for careers and educational paths, with especial focus on science, technology, engineering, arts and maths. Through partnerships, schools make available more quality information on both the range of all educational choices that exist as well as the career path options

- Prepare the youth and workforce for the future world of work. To this end, we urge Member States to support the delivery, validation and certification of the following ten soft skills below (see figure 2) as part of a wide set of abilities, basic skills and cross functional skills.
What needs to be done?

- Empower both directors of schools and teachers by supporting their professional development throughout their careers. This can be facilitated by (I) ensuring teacher retain their autonomy over their classes; (II) the availability of information and resources, e.g. for capacity building and teacher knowledge; (III) teacher training, e.g. through meetings, site visits and short term trainings; and (IV) specific support for school directors in facilitating governance and finance management.

We believe this should be done by means of a **bold, non-incremental reform agenda** where Member States shift to a mandatory/“comply or explain” approach for meaningful and productive business-education partnerships. This allows schools and employers to partner up, supporting young people in their understanding and readiness for work. By doing so, schools and employers collaborate in order to fight the pervasive statistics on youth unemployment and join forces against the current skills mismatch.

The reform agenda will thus encourage, inspire and support schools to develop and expand partnerships with employers (be it physically or virtually). Simultaneously, it requires an explanation from those schools that do not or cannot develop such partnerships.

The reforms should be met by accompanying measures to inspire, support and empower both schools and employers to develop or expand partnerships. These measures should be (a) **realistic** and, where necessary, start small, and; (b) provide **flexibility** and **inspire** through best practice sharing (thereby also providing opportunities to establish joint links with more employers). Such measures create an inspiring and enabling environment that enhances awareness and supports capacity building of both schools and employers. Member States can develop or support the needed educational, training and intermediary infrastructure, with inclusive local/regional/national coverage to ensure nobody is left behind.

**At European Union level**

We, as leaders of the Pact, propose to the European Institutions:

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8. Figure extracted from: Randstad (2016). Flexibility@work: future of work in a digital age: evidence from OECD countries
What needs to be done?

• To create a One-Stop-Shop “Europe for Youth” (see also Figure 3). This will form a one entry point for all employers, teachers, learners, schools and intermediary organisations. The structure can be digital, physical, or both, and can be deployed at regional/national/European level. The objectives of a One-Stop-Shop are to:

  Make access to EU initiatives, programmes and funding opportunities easier and more user friendly

  Optimise the use of these already existing initiatives and preferably through making hybrid mixes

  Encourage novel ways of collaborating with the aim of long-term collaboration with better impact. Thus, the One-Stop-Shop allows one to connect and network with stakeholders that have similar or complementary interests or challenges. Information and knowledge sharing (e.g. toolkits, guidelines, best practice, data, research, etc.)

We believe this One-Stop-Shop can give a much stronger brand value to the current and future multiple efforts Europe is engaged in. Moreover, this proposal can also contribute to the current and future efforts by the European Union and the Member States in the:

  Simplification of the EU governance structures and national supportive organisations, as well as the

  Discussion on the current EU funding mechanisms beyond 2020, as well as the European Juncker Investment Plan.

• To embed the previously mentioned soft skills in Europass, Youthpass and similar tools. To this end, the European Skills Pass could serve as an example of good practice when certifying soft skills, including those skills linked to entrepreneurship.

Figure 3: EU One Stop Shop
### Targets

<table>
<thead>
<tr>
<th>2020</th>
<th>2025</th>
<th>2030 targets</th>
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<tbody>
<tr>
<td><strong>Business level</strong></td>
<td><strong>Member State level</strong></td>
<td>Each young person interacts periodically with the world of work</td>
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<tr>
<td>Business Blueprint embedding education in business planning, practice and integrated performance</td>
<td>International guidelines for investors and employers to measure and report on their investment in education and skills</td>
<td>Each teacher benefits from a partnership to enhance his/her leadership and professional development</td>
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<tr>
<td><strong>EU level</strong></td>
<td><strong>National bold reform agendas, making business-education partnerships a new norm</strong></td>
<td>Each school measures its success also by what becomes of its graduates</td>
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<tr>
<td>One-Stop-Shop “Europe for Youth”</td>
<td>VET/Apprenticeships an Equal Choice for Youth</td>
<td>Each employer and investor integrates youth and education in their strategy for success</td>
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<tr>
<td>VET/Apprenticeships an Equal Choice for Youth</td>
<td>National bold reform agendas, making business-education partnerships a new norm</td>
<td>In each Member State/region, VET/Apprenticeships are an equal choice for youth (9)</td>
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</tbody>
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- **EU is a partner of choice for youth, parents, schools and employers**

9. See also Joint Proposal #1: Making VET/Apprenticeships and Equal Choice for Youth
**Annex I definitions of the top 10 soft skills**

<table>
<thead>
<tr>
<th>Skill</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Cognitive Flexibility</td>
<td>The ability to generate or use different sets of rules for combining or grouping things in different ways.</td>
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<tr>
<td>Complex Problem Solving</td>
<td>Developed capacities used to solve novel, ill-defined problems in complex, real-world settings.</td>
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<td>Coordinating with Others</td>
<td>Adjusting actions in relation to others' actions.</td>
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<tr>
<td>Creativity</td>
<td>The ability to come up with unusual or clever ideas about a given topic or situation, or to develop creative ways to solve a problem.</td>
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<tr>
<td>Critical Thinking</td>
<td>Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.</td>
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<td>Emotional Intelligence</td>
<td>Being aware of others' reactions and understanding why they react as they do.</td>
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<tr>
<td>Judgement and Decision Making</td>
<td>Considering the relative costs and benefits of potential actions to choose the most appropriate one.</td>
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<tr>
<td>Negotiation</td>
<td>Bringing others together and trying to reconcile differences.</td>
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<tr>
<td>People Management</td>
<td>Motivating, developing and directing people as they work, identifying the best people for the job.</td>
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<tr>
<td>Service Orientation</td>
<td>Actively looking for ways to help people.</td>
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Definitions taken from the World Economic Forum [10].