



**News – 23/07/10**

**State of Affairs of the European Commission's Directive on Services and on Mutual Recognition of Professional Qualifications**

**As you may know, two important Directives from the European Commission are actually the centre of all the discussions in Brussels: the Directive on Services (2006/123) and the Directive on Mutual Recognition of Professional Qualifications (2005/36).**

The transposition deadline for the **Services Directive** has expired at the end of 2009. Since January of this year, all EU Member States are engaged, together with the European Commission, in a peer review process in order to evaluate certain aspects of their national legal frameworks applicable to services providers covered by the "Services" Directive. This innovative working method, known as the "mutual evaluation process", was in fact foreseen by the Directive. In the context of this process, the European Commission has now launched a public consultation inviting interested stakeholders to share their analysis and comments on the national measures applicable to the establishment of services providers and to the cross-border provision of services. The consultation targets specific types of requirements imposed to services providers (the same that are being examined by Member States in the "mutual evaluation process"). Further details and explanations can be found in the consultation paper. In addition to this consultation paper and the questionnaire, you will find specific country fiches which aim at giving a brief overview and relevant samples of rules applicable to services providers in each Member State.

The consultation documents can be found by clicking on the following e-link: [http://ec.europa.eu/internal\\_market/consultations/2010/services\\_directive\\_en.htm](http://ec.europa.eu/internal_market/consultations/2010/services_directive_en.htm)

The press release issued by the Commission can be found by clicking on the following e-link: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/862&format=HTML&aged=0&language=EN&guiLanguage=en>

Due to the strict deadlines imposed by the Directive for the whole process, the consultation deadline has been set for the 13th of September.

Regarding the **Directive on Mutual Recognition of Professional Qualifications (2005/36)**, the European Commission has launched this year the process of its evaluation. The first major step of this process was the meeting organized between the European Commission's Directorate General in charge of the Internal Market (DG MARKT) and the Professional Organizations, the 17th of March 2010 in Brussels. A number of meetings between the European Commission and the competent authorities (regulatory bodies, etc...) of the regulated professions are also being currently held.

In the context of this process, the European Commission is going to publish on its website ([http://ec.europa.eu/dgs/internal\\_market/index\\_en.htm](http://ec.europa.eu/dgs/internal_market/index_en.htm)) the remarks and comments made by all stakeholders when answering the evaluation questionnaire distributed some days after the March meeting. It was also announced that DG MARKT is planning to hold a further meeting with Professional Organizations the 29th of October 2010. The place and the time will be announced in the coming weeks.

### **Germany calls EU for a Summit on Education**

A debate about **education targets** in the proposed *'Europe 2020'* strategy was removed from the agenda of the EU summit meeting of the 25-26 March after Germany expressed concerns that the proposed EU objective would step on its federal competences.

**Herman Van Rompuy**, President of the European Council - which gathers EU heads of state and government - was forced to remove a discussion of the headline target 'education' from the agenda of the summit. The move has angered European Commission President José Manuel Barroso who is insisting that skills are a key part of restoring competitiveness. Wolfgang Reinhart, Europe minister for the German state of Baden-Württemberg, said that the decision to raise the issue was taken after a meeting in Brussels with Europe ministers from other German Länder. *'The German federal system'*, Reinhart stressed, *'guarantees that the Länder retain their own competence on education and more EU involvement with the issue would create problems if applied in Germany'*.



*Prof. Wolfgang Reinhart*

Austria is also reluctant and is backing the German position, he said. Mr. Van Rompuy respects the attitude of the German states because he also comes from a federal country, he added. The reluctance of the 16 German states is backed by Berlin, Mr. Reinhart indicated, saying that the position had been confirmed to him by the Federal Chancellery. *"So it is a common position and Germany is speaking with one voice,"* he said. According to him, a decision regarding the education target will now more likely be taken in October.

Mr. Barroso unveiled his 'Europe 2020' plans on 3 March, proposing a limited set of targets on employment, education, R&D and poverty reduction and "policy warnings" for EU countries that fail to meet them. On education, the European Commission proposed to reduce the share of early school leavers from the current 15% to under 10% and making sure that at least 40% of youngsters have a degree or diploma. Speaking at the launch of the Lisbon Scorecard - a report on how member states implemented the Lisbon Strategy for growth and jobs – Mr. Barroso offered a robust defence of the Europe 2020 education targets. *"Some countries say education is not an area of Commission competence but you cannot talk about competitiveness without speaking about skills, education and innovation,"* he said. The Commission President insisted that the idea of *"convergent education systems"* was not on the agenda. *"This is not about harmonising education systems - we don't want that - it's about reducing the number of early schools leavers and boosting numbers in third level education,"* he said, adding that the arguments over subsidiarity do not hold water.

The row over education targets is the latest setback for the Commission's proposed 'Europe 2020' plans. In the beginning of March, EU finance ministers rejected a target for spending 3% of GDP on research and development (R&D), demanding a new "outcome-oriented" measure of success instead. Germany is also reluctant to see reporting on the 'Europe 2020' strategy done in conjunction with monitoring on the Stability and Growth Pact, which limits public deficits to 3% of GDP. Earlier that month, German Chancellor Angela Merkel expressed fears that closely linking the two would make fiscal surveillance *"unnecessarily political"*

## Can entrepreneurship be taught?

Instilling an entrepreneurial spirit in young people has become a popular idea in EU policy circles, but some businesspeople say initiative is something that comes from within and cannot be taught.

Entrepreneurs and policymakers weighed up the merits of inserting entrepreneurship into educational curricula at a debate organised on 25 May by YES - European Confederation of Young Entrepreneurs, and Generation Europe Foundation to mark SME Week. There is a sharp philosophical divide between those who see entrepreneurship as an innate drive that not all are blessed with, and those who believe educational reforms could bring a shift in mindsets. Similarly, some businesspeople generally think governments should stop meddling in their affairs, while others are pleading for state intervention to promote small business and shelter start-ups from the crisis.

The question of whether a specific subject called "entrepreneurship" could be introduced is reminiscent of the debate on how to teach creativity, which dominated part of the European Year of Creativity and Innovation (EYCI) in 2009. The notion of designating time to entrepreneurship, creativity or initiative has been put forward as one option. Another possibility is a more fundamental reworking of all subjects to make them more relevant and to encourage students to "think outside the box". One of the more fundamental challenges in helping people develop their creative side is whether teachers are willing and able to get involved. Entrepreneurs have been quick to point out that teachers are civil servants who have chosen secure employment rather than to enter the risk-prone world of launching a new business venture.

There is a degree of consensus that the role of teachers should evolve into a "coach" or "facilitator" for young people's experimentation with entrepreneurship. In addition, there is broad support for encouraging schools and universities to bring in role models who can explain the benefits and pitfalls of running your own business. This, it is agreed, would help students to see entrepreneurship as a career option. Still, some major challenges remain, including limits to the EU's competence in the area of education. Brussels can help share best practice but it is national governments that control what children learn and how they learn it. Finally, the debate on using education to make Europe more entrepreneurial is not taking place in a vacuum. In parallel, there are experts talking about how to use the education system to improve appreciation of science, maths, the European Union, art and design, financial literacy, languages and many other competing interests. Education ministers will be quick to note that they must implement school curricula designed for students with all aptitudes and interests. Similarly, parents and teachers will wonder whether adding entrepreneurship will mean reducing the time spent on maths and languages.

## New research into higher education reforms in Europe

Two new independent studies look at progress of reforms of governance and funding in higher education in 33 European countries. Analysis and recommendations cover the main trends and themes across the EU, but also provide detailed analyses of national contexts.

The European Commission ordered the studies as part of the 2006 EU Modernisation Agenda of Higher Education. They were carried out by a consortium of research bodies led by the 'Centre for Higher Education Policy Studies' (CHEPS) in the Netherlands. The studies present a wealth of information which will be of interest to both policy-makers and researchers. In addition to EU level analysis and recommendations, they provide detailed national system analyses for 33 countries (EU Member States + Croatia, Turkey, Iceland, Liechtenstein, Norway and Switzerland) and case studies for a range of countries.

The studies focus on four key questions:

- *What have been the policy changes in the governance and funding of European higher education systems between 1995 and 2008? And what have been the policy changes in national higher education systems as regards governance and funding reforms?*
- *To what extent does the current state of governance and funding in European higher education reflect Europe's modernisation agenda for higher education?*
- *What are the possible links between governance reforms, funding reforms and the performance of higher education systems?*
- *What lessons can be learned and what might be the key governance and funding policy themes in the further development of European higher education?*

The authors highlight that many new educational acts have been passed over the last decade, in particular on quality assurance and accreditation systems, which have been major reform themes in many countries. Another overarching trend in higher education governance is that towards more autonomy of institutions, including increased freedom in financial management.

As regards funding reforms, the research emphasises that expansion of higher education systems has brought budgetary pressures for many governments. A marked trend towards cost-sharing policies can be observed, with many countries rethinking tuition fee and student aid policies.

Approaches to the allocation of public funding for higher education systems are examined in detail in the studies and an assessment of the public (social) and private rates of return to investment in education is presented.