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Galina MERKULOVA
Branimir STRUKELJ

5, Bd du Roi Albert II, 9th
1210 Brussels, Belgium
Tel +32 2 224 06 91/92
Fax +32 2 224 06 94
secretariat@csee-etuce.org
http://www.csee-etuce.org

European Director
Martin RØMER

Treasurer
Mike JENNINGS

ETUCE
European Trade Union Committee for Education
EI European Region

To: ETUCE Member Organisations

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Eurydice study on the impact of the economic crisis on education funding

On 21 March 2013, Eurydice – the network of 40 national units based in 36 countries coordinated by the EU Education, Audiovisual and Culture Executive Agency – published a study for the European Commission about the impact of the financial and economic crisis on education funding.

Funding of Education in Europe: The Impact of the Economic Crisis is a valuable tool for trade unionists seeking to base their policy responses and arguments on the European Commission's own data.

Education budgets were most affected in countries with large deficits, as the study states. In 2011 and/or 2012, cuts in education budgets were made in twenty out of 35 European regional and national education systems surveyed from 2000 to 2012 and further cutbacks are anticipated. This study is a lasting proof of the worrying trends in education funding long deplored by teacher trade unions. "Reductions in public funding for education also contributed" to the falling number of teachers in at least one third of monitored countries while "salary cuts and freezes have been used as one of the main mechanisms to reduce education expenditure," the study states. Widespread school mergers and closures took place as a result of the crisis and support schemes for pupils and students have also been curtailed.

The report's data shows that the bailout of the European financial sector has had a tremendous impact on combined public deficits in EU-27 countries. They rose from 0.9 per cent of the GDP in 2007 to 6.9 per cent in 2009.

Gross sovereign debt accounted for 60 per cent of GDP in EU-27 countries and 70 per cent in the Euro Area before 2007. In 2011, however, the gross debt ratio surged to 82.5 per cent in EU-27 and 87.3 per cent in the Euro Area, which restricted fiscal allocations to the public sector, including education.

The report argues that since 2007, all European countries have "at least maintained the existing share of GDP devoted to education." This statement is rather misleading. When education funding is considered in correlation to GDP development – and GDP has itself been on a downward spiral – to say that education spending remained unchanged is an illusion. Eurydice alludes to this fact when it says that "education expenditure decreased at a slower pace than national GDP." This is also why education spending must increase and not only be maintained in the context of the crisis.

Eurydice reveals that four countries – Ireland, Romania, Latvia and Iceland – saw a significant decrease in public expenditure on education as share of total public expenditure after 2009. The ETUCE deplores these developments and urges national policy-makers to safeguard the future of Europe by increasing investment in education in times of crisis. With nearly all EU countries in recession in 2009 and beyond, it is not enough to nearly maintain education funding.

Eurydice points out that reductions in education spending happened as a result of cuts in teacher salaries and individually names – and shames – Greece, Estonia, Lithuania and Romania, Portugal and Ireland. In reality, teachers' salaries were directly affected by the economic slowdown in up to half of the countries studied, according to this reports' data.

Other worrying trends pointed out by this study include mergers and closures of schools, increasing class sizes as well as lack of investment in ICT or professional development. All of these, and more, have an impact on quality in education. The ETUCE invites its member organizations to use this document's data as a resource in their work and efforts to lobby for increased education funding across Europe.

A European Commission press statement in relation to this study is available in 22 languages here: http://europa.eu/rapid/press-release_IP-13-261_en.htm

The full Eurydice thematic report published on 21 March 2013 can be accessed here: http://eacea.ec.europa.eu/education/eurydice/thematic_reports_en.php

Sincerely,

Martin Rømer
European Director