

COUNCIL CONCLUSIONS**of 25 November 2003****on the 'Development of human capital for social cohesion and competitiveness in the knowledge society'**

(2003/C 295/05)

THE COUNCIL OF THE EUROPEAN UNION,

AWARE that

- from 2000 to the present, the European Council has concluded that cooperation on education and training is a prerequisite for building a competitive knowledge-based economy,
- the constant socio-demographic and economic changes in Europe, particularly in the context of enlargement, demand that strategies be redirected to enhance the pursuit of common objectives and to ensure that investments in education and training systems are effective and efficient,
- human capital is a strategic resource for the overall development of Europe, and the education and training policies of States should be directed towards the lifelong personal development of each individual and at increasing citizens' participation in social cohesion and economic development,
- in 2002 the Council of the European Union and the European Commission adopted a work programme to achieve certain common objectives, approved and shared, to be achieved in the short and medium term. The work programme was accepted by the Barcelona European Council of 2002,
- in the Commission communication of November 2002 on strengthening the coordination of budgetary policies, attention was drawn to the positive effect that investments in human capital and knowledge can have on growth and employment levels,
- the conclusions of the March 2003 European Council emphasise the importance of investment in human capital as a prerequisite for the promotion of European competitiveness, the achievement of high growth and employment rates and the transition to a knowledge-based economy,
- the 2003 Commission communication 'Investing efficiently in education and training: an imperative for Europe', analysing the relevance and contribution of education to core elements of the Lisbon strategy, points out that the EU suffers from under-investment in human resources and that the efficiency of both public and private investments needs to be maximised through the coordination of education and training policies with employment policies, taking account of the process connected with the work programme on follow-up to the common objectives and the lifelong learning strategy,

- the Resolution on social and human capital building in the knowledge society adopted in July 2003 by the Council emphasises the strategic value of social capital and human capital and the need to develop their interaction in the areas of learning, work and social cohesion,
- the Conclusions of the October 2003 European Council confirm that investing in human capital, in particular through increasing financing in education and a better integration with labour and social policies, is crucial for Europe's growth potential,

STRESSES that

- it is the Community's duty to contribute to the development of quality education and implement a vocational training policy whilst fully respecting the responsibilities of the Member States as well as to work together with the Member States with the aim of building a competitive knowledge-based economy,
- the objectives set in education and training policy should, whilst taking into account the harmonious development of young people into self-reliant, responsible and cultivated citizens as one of its main aims, increasingly complement those of economic and labour policy in order to combine social cohesion and competitiveness,
- the effectiveness and efficiency of investments in education and training systems, in line with objective 1.5 on making the best use of resources, must be enhanced for a greater development of human capital,
- [...] the role of education and training is a fundamental factor in social and economic development; it is possible to consider [...] financial interventions in these fields as an investment rather than a cost and to envisage innovative ways of developing research and innovation; [...] human capital is in fact a lever for social cohesion and economic growth,

AGREES that

- reaching the Lisbon targets will mean strengthening structured cooperation in support of the development of human capital and ensuring a regular monitoring process for the results as part of the work programme on the follow-up of the objectives of education and training systems in Europe; the Council will draw the attention of the European Council to progress in this field as part of its regular reporting on the Objectives process,

- the necessary resources for human capital development should be made available, from public or private national and European sources including, where appropriate, the Structural Funds, the Community programmes in education and training and the EIB; making the best use of resources is a strategic factor for the overall development of Europe,
 - actions, research and analysis on the contribution of human and social capital to economic development in Europe by European bodies, such as EIB and others, are important tools for effective education and labour policies,
 - coherence and complementarity should be further promoted between education and training policies and social and labour policies, to make lifelong learning a reality,
 - the Member States and the Community should aim to develop a specific European angle on such complementarity, strengthening the link between the 'Objectives process', the Employment Guidelines and the Broad Economic Policy Guidelines.
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