

Scotland Europa

Rethinking Skills and Education:

EU Investment in Jobs and Growth 2014-2020

6 February 2013



Event Follow-Up Paper

Summary	2
Background	2
What is the opportunity?	3
Scotland Europa event on ‘Rethinking Skills and Education’	3
What did stakeholders tell us? Incentives for engagement	3
Barriers to engagement in EU education, skills and employment policy	5
How do we engage?	6
Suggested next steps	7

Summary

On 6 February 2013 Scotland Europa held an event entitled 'Rethinking Skills and Education: EU Investment in Jobs and Growth 2014-2020' at the University of the Highlands and Islands (UHI) in Inverness. This brought together Scotland Europa members and wider Scottish partners and stakeholders to discuss the opportunity which exists in the EU 2014-2020 programming period concerning skills, education and employment. The event provided an occasion for partners to consider the ‘appetite’ for EU engagement across this important EU policy arena. Reflecting on both the incentives and barriers to enhance EU engagement in these areas in future, there was general consensus at the event that Scotland could improve efforts to better understand the new EU policy and funding landscape and the opportunities it offers. In the run-up to January 2014, there remains a window of opportunity to generate a cross-Scotland commitment and critical mass for such engagement. Scotland Europa would be keen to be involved with and support such activity and we invite and await feedback from our members and Scottish stakeholders on how this might be achieved.

Background

The European Union is currently mobilising all possible means available to tackle the worst economic situation it has faced since its inception. Unemployment – and especially youth unemployment – has become one of the biggest problems facing Europe. In addition, all EU countries are seeking to find effective policy responses to improving education and skills across all age groups at a time of fierce, global competition for a highly skilled and adaptable workforce.

In this context, a new EU budgetary framework for 2014-2020 has been proposed of just under €960 billion, which now requires European Parliament approval. Assuming such approval, just under half of the budget has been dedicated to ‘smart and inclusive growth’. Within this priority, the various EU budget headings supporting education and skills have been largely secured, emphasising that EU Member States recognise the importance of investing in these areas to support economic growth and to address the mounting problem of unemployment.

In the context of a tighter EU fiscal environment the European Commission is strongly encouraging regions to consider a wider view in their engagement with the 2014-2020 EU funding programmes than just a concentration on Structural Funds. This will entail an emphasis on greater ‘joined-up’ and strategic approaches between all EU funds to address the Europe 2020 targets and objectives for smart, inclusive and sustainable growth. By focusing on fewer EU priorities, regions are being encouraged to consider how to make their EU funds ‘go further’ by linking core, domestic priorities to EU ones, and concentrating their funding efforts. This implies a need for regions to take a strategic overview of EU policy and funding, and to align this to domestic objectives and to identify the specific ‘added value’ of EU support.

At a time when regions are drafting their Regional Policy Operational Programmes for the new programming period, the above messages have particular significance. Structural Funds (and particularly the European Social Fund - ESF) are expected to play a key part in supporting the Commission’s commitment to ‘joined up EU

policy and funding'. Regions will need to decide on core investment priorities for ESF and to seek out other, related EU policy and funding opportunities to maximise investment potential. In this context, the EU's competitive funding streams – i.e. EU funding which is not allocated to regions but is subject to a competitive, bidding process – represent an area of opportunity. The new EU education programmes – such as Erasmus for All – fall into this competitive funding category and have been shaped with this 'joined up' agenda in mind. It is now up to regions to consider how to mobilise efforts by aligning the domestic policy agenda for education, skills and employment with the 2014-2020 EU framework and to 'stretch' investment opportunities for education, skills and employment.

What is the opportunity?

At the beginning of 2014, when the next EU funding period for 2014-2020 will commence, new EU funding programmes such as **Erasmus for All** will aim to address EU skill and employment gaps by helping young people gain the skills and experience they require for future employability. These programmes, alongside new EU policy packages such as **Rethinking Education** and **Moving Youth into Employment** will open up new avenues of engagement, to enable cross-border education and business collaboration with the aim of better connecting education systems with labour market needs. Moreover, the type of education and skills support underpinning this EU agenda has been classified in a more holistic way, placing significant emphasis on entrepreneurship education, languages, employee mobility and ICT as an underpinning set of competences.

Moreover, with a greater emphasis in the future Structural Funds on improving innovation performance, there is very strong potential for Structural Funds to be invested in skills and education provision which is directly linked to the areas outlined above. This is an example of how previously disparate areas of EU policy funding might be aligned to offer critical mass and greater concentration. It could therefore be in Scotland's interests to better coordinate and bolster our participation with a joined-up, concentrated approach, bringing together a critical mass of stakeholders. This would have the potential to bring Scottish stakeholders together to work on projects capable of delivering a wider impact than before.

In seeking to better define and boost Scotland's response to the ongoing education and labour market challenges, there is an opportunity for Scotland to make use of the broad range of EU instruments to foster our learning, knowledge exchange and transnational partnership building. The new funding programmes also have the potential to strongly support Scottish domestic priorities in education, skills and learning, including addressing skills gaps and shortages, improving worker readiness for emerging sectors and increasing mobility and flexibility.

Scotland Europa event on 'Rethinking Skills and Education'

The policy context outlined above clearly signals that an opportunity exists at EU level for regions to bolster domestic efforts in addressing the widespread and complex challenges linked to employment, skills and education. In the current EU programming period (2007-2013) Scotland's engagement with this agenda has been largely driven by the Structural Funds (through ESF). There is an opportunity to build on this experience and broaden the scope of EU policy engagement in a number of different ways.

In his contribution to the event, Martin Le Vrang from the European Commission's Directorate General for Employment, Social Affairs and Inclusion, highlighted the Commission's concern at present that many European education and training systems are not providing the right skills for employability in later life, and are not working adequately enough with business or employers to bring learners' experiences closer to the reality of the labour market.

However, the depth and complexity of the challenge underpinning the EU labour market is huge. There are currently 26 million people unemployed in the EU, with four times as many low skilled workers unemployed as high skilled. Engaging industry in the planning of future skills needs is seen as increasingly important in

overcoming the skills challenge, but an ever-tighter fiscal environment has inevitably constrained education and skills investment.

Furthermore, across the EU, early school leaving in many Member States is above 20 per cent; 73 million adults have low levels of education; and nearly 20 per cent of 15 year olds across the EU lack sufficient skills in reading and writing. This is against a backdrop situation where the need for people with higher-level skills is continuously increasing, and the Commission estimates that the number of posts requiring tertiary education will rise from 29 per cent in 2010, to 34 per cent by 2020.

Within this context, there is a strong EU policy focus on how skills intelligence and forecasting can support policy responses. A pan-EU focus on such forecasting requires strong alignment and harmonisation of skills and labour market data (at EU, Member State and regional levels), and highly sophisticated approaches to analysis. An example of the ICT sector, which, according to Commission figures will have 700,000 unfilled vacancies by 2015, demonstrates that access to skills forecasting can support the EU to better understand employment trends and effects on specific sectors.

EU funding instruments alone cannot address the multi-faceted challenges which Europe faces in the education, skills and employment arena. The concerted efforts of Member States, regional and local authorities and education and training organisations are required to identify the added value of EU funding in supporting domestic activity.

At the employer-focused parallel session of the event, Chris Brodie of Skills Development Scotland (SDS) also provided a short overview of the recent work of SDS in this area in relation to Skills Investment Plans and Regional Skills Assessments. This work is at an early stage of development (especially in the Regional Skills Assessment area, where a pathfinder project is taking place in the Highlands and Islands). The links between this work and the wider policy direction for EU skills forecasting are evident. There is clear potential to align Scotland's efforts in this area with the wider EU policy agenda, thus demonstrating both Scotland's 'presence' and policy experience in the EU skills forecasting arena.

What did stakeholders tell us? Incentives for engagement

The following key themes were emphasised at the event, and demonstrate that event attendees recognised that opportunities exist to help 'bridge the gap' between existing Scottish engagement and EU skills and education policy, with a view to enhancing these efforts in the post-2013 period:

Generating a greater EU 'presence' of existing good practice in Scottish education and skills policy

There is a large degree of similarity between European policy packages such as the Rethinking Education or Moving Youth into Employment and relevant good practice in Scotland in areas such as entrepreneurial education, the usage of Open Educational Resources, or youth guarantee schemes. However, it was noted during the event that Scotland's 'good practice' in these fields is probably not well-known at an EU level. Whilst Scotland is already recognised in the EU as a leader in working with the European Qualifications Framework (EQF) and in harmonising Scotland's framework with the EQF, there are many other strengths and good practice policy areas where we have limited or no 'presence' which would demonstrate Scotland's existing policy expertise. This was exemplified recently through a European study on enterprise education, which arguably failed to identify the extensive Scottish experience in this area¹. It was noted at the event that increased efforts to promote Scottish experiences and good practice in many of the areas currently receiving much EU policy attention could help to connect Scotland to other forward-thinking European partners and could provide clearer opportunities to engage with and influence EU policy as it develops in areas such as enterprise education.

¹ *Entrepreneurship Education at School in Europe: National Strategies, Curricula and Outcomes* (EURYDICE, 2012).

Likewise, it was suggested at the event that a current, strong EU policy focus on entrepreneurialism for the post-2013 programming period could support efforts in Scotland to promote the self-employment option as a route to sustainable employment.

Seeking out skills, education and employment policy solutions through learning from EU partners

Attendees recognised the importance of building a solid policy evidence base of ‘what works’ across the EU. This could be enhanced by greater policy and practice sharing with other EU regions. In turn, this could help to boost Scotland’s efforts in responding to the ongoing challenges of unemployment. Mobilising employer engagement to address skills needs was noted as a continuing challenge which could benefit from a wider EU exploration of potential solutions and policy responses.

Policy influencing – boosting the ‘supply-side’ application of skills intelligence

It was noted by Scottish stakeholders during the event that skills intelligence can only be truly effective when it reflects the actual supply of labour. In this regard, there appears to be a current ‘disconnect’ in both Scottish and EU policy concerning exactly *how* individuals (and especially young people) can be made more aware of the role which labour market intelligence can play in supporting decisions about careers choices, accessing the opportunities which exist (through trend data) and how they can access such information. It was felt that the wider EU debate on this subject would benefit from further policy thinking and that Scotland could contribute to such thinking.

Policy influencing – encouraging less of an EU ‘one-size-fits-all’ approach to supporting the skills needs of SMEs

Discussions indicated that Scotland could enhance its efforts in influencing EU policy in relation to SME support, especially by demonstrating how tailored support services can make a difference to SME stability and growth. Scotland’s SME base encompasses a very wide spectrum of organisations in terms of size, growth potential and sectoral focus. The types of skills support required within this spectrum vary significantly, yet EU policy for SMEs often fails to take account of differentiated skills-related needs. In addition, EU skills forecasting efforts also need to take account of this. By engaging more with like-minded EU regions, Scotland has the opportunity to influence the SME skills policy agenda in the future.

Barriers to engagement in EU education, skills and employment policy

Participants agreed in discussion that Scotland already has a solid base of experience and success in working with EU policy and funding in the areas of skills and education. This has been predominantly in the area of Structural Funds (ESF in particular). However, this experience is based on the historical (and current) EU programming architecture which has entailed a more disparate approach to accessing funding. In turn, this has probably encouraged responses to EU funding in Scotland (and across the whole of the EU) which are largely unconnected to each other (in terms of projects and partners involved) and which have seen most success in small-scale activity. While such experience has been generally very positive, this approach is not likely to achieve sustainable and demonstrable change over an entire programming period. Indeed, the proposed changes to the policy architecture which will support the 2014-2020 programming period have been influenced by a commitment to move away from the ‘piecemeal’ practices to funding which currently prevail across Europe.

This architectural change for the post-2013 EU policy environment is characterised by a strong focus on ‘joined-up’ EU policy and funding. Many event attendees noted that such a change would require a strong Scottish-level coordination and ‘championing role’, supported by greater capacity building efforts and communications about the content of the new programmes. Many also felt that this support was either not currently visible or not available and could impede efforts for planning and positive engagement with the proposed EU architecture post-2013. Indeed it was noted that the post-2013 EU policy and funding environment requires a significant change in the level and kind of Scottish engagement – through, for example, a more strategically-oriented and coordinated approach, with more efforts going into planning and consensus-building across interested Scottish partners.

From the event, several obstacles were highlighted as barriers towards collective Scottish engagement in future EU education, skills and employment funding programmes:

- **A lack of overall information and insight into the requirements of the post-2013 EU policy environment.** This relates to the content of the future funding programmes themselves, and specifically the future Structural Funds programmes and how the EU's intention is to join these up – both as part of the four associated funds of the Common Strategic Framework and also with the priorities of instruments such as Erasmus for All (and also programmes such as Creative Europe and Horizon 2020).
- **A hesitation about branching out into competitive funding streams after having concentrated so long on Structural Funds.** Unsurprisingly, attendees were generally uncertain about their capacity and motivation to engage with the competitive funding streams of the new EU programming period. This relates to a perceived lack of time, knowledge and match funding, making these programmes a less attractive option.
- **A concern regarding the administration burden of the current and future mainstream programmes,** and whether the effort and input required is worth the outcome, especially due to the audit-driven nature of projects.
- **Employers find EU funding inaccessible.** There is an apparent lack of incentive to engage and mobilise employers in accessing EU policy and funding in the education, skills and employment area. Language differences are cited as particular problems, with employers' seeking faster and more practically-focused solutions which are often less apparent at the EU level.

These barriers to engagement are likely to impede effective knowledge transfer between Scottish and EU policy. In turn, this could widen the 'distance' between Scottish and EU policy in the areas of education, skills and employment, and could further perpetuate the perception that these EU programmes have less to offer to Scotland. Furthermore, there is also a real risk that these barriers could hinder Scotland's future success in accessing related EU investment opportunities. Policy knowledge and influencing, as well as the development of strong EU networks and contacts are evidently more difficult to generate in the absence of a clear Scottish presence in this EU policy space.

How do we engage?

Noting both the incentives and barriers to becoming more engaged in this policy arena, there was general consensus from event attendees that Scottish partners could benefit from stepping up preparations for engagement in the 2014-2020 EU programmes for skills, employment and education. This should be based on the existing, considerable experience in using Structural Funds in this area and understanding the lessons learned from that experience. It was noted that the future Structural Funds programmes for 2014-2020 provide both the foundations and incentive to examine the opportunities which exist for a more 'joined-up' approach to EU policy and funding.

Developing such an approach will entail a greater need to 'push' the benefits of engagement in the European programmes across Scottish partners and stakeholders, especially considering that Scotland has not been as active in preparing for the new European education programmes as it has been for other funds, such as the framework programme for research and innovation (Horizon 2020) or the preparatory work for the new Regional Policy and Structural Funds programmes.

Suggested actions which could improve this engagement include:

- **Defining and prioritising the key areas** where Scotland could achieve most impact from EU engagement (whether by individual member organisations or on a more collective basis).
- **Making focused and concerted efforts to raise Scotland's profile and positioning on an EU platform of existing good practice in related key policy areas** (for example, in enterprise education). This could be of interest to both other regional players and to the Commission. It is imperative to start showcasing the considerable experience and success which Scotland can point to in these key policy areas and to demonstrate how congruent our approach is with that of the EU.

- **Developing the foundations for co-ordinated engagement and delivery in this EU policy space.** This would entail a greater sense of Scottish-level planning and coordination, with efforts to build a critical mass of joined-up thinking and engagement. In the first instance, there is a need to generate a consensus across key partners of how to plan for and work towards this type of EU engagement, with the aim of working in cooperation across Scotland to deliver larger scale projects with greater impact.
- **Exploring and articulating how national contact points** and/or other support providers (and EU information sources) can most effectively convey and foster engagement in these programmes.

Suggested next steps

If demand exists, Scotland Europa could continue to facilitate the dialogue triggered by the event, and help determine the nature of that demand. We can also continue to take the opportunities out to a wider sphere of interest and engagement in order to identify where the EU opportunities exist to address Scottish needs. However, it will also be necessary for partners and stakeholders in Scotland to consider the steps involved to take this agenda forward in order to maximise the opportunities from the future European funding programmes. From this, we see two possible ways to engage:

- **‘Do the same’:** Continue to engage in EU policy linked to education, skills and employment on a largely piecemeal basis through individual organisations and projects. Engagement here is largely reactive and small-scale, with limited opportunity to make significant impact or to fully explore the EU opportunity which exists to align EU opportunities with existing Scottish efforts to respond to the skills and employment challenges. It would also require minimal commitment of resources from Scottish partners.
- **‘Do things differently’:** Heighten related EU engagement individually or collectively. On a collective basis, this assumes working with a ‘critical mass’ of interest in Scotland either through existing partnerships (such as the Community Planning Partnerships), or new, emerging coalitions of interest. This would require additional commitment or the refocusing of resources to support this.

Overall, there was a general sense at the event that Scotland could ‘be doing better’ when it comes to EU engagement and accessing funding in the education, skills and employment area, though it was recognised that it is not too late to step up this engagement before the new programmes begin in 2014. Scotland Europa can play a role in helping to shape local and national European engagement strategies, by working with our partners, and by increasing our contact with wider Scottish stakeholders. We can offer capacity building support and information and awareness-raising sessions concerning the new programming period in a range of specific areas noted by participants during the Rethinking Skills and Education event. However Scotland Europa alone cannot deliver the Scottish-level coordination and ‘championing’ which participants felt is required.

A clear message from the event was that it is important that Scotland raises its profile in the areas of education, skills and employment at an EU level to facilitate policy learning, enhance the delivery of this activity and take advantage of the funding opportunities under the associated, future EU funding programmes. To this end, we welcome further thoughts and feedback, both from those who attended the event on 6 February and from colleagues / partners whom you might wish to engage in this discussion.

We look forward to hearing from you and hope to play a role in supporting Scotland’s future interests in future EU policy engagement in the skills, education and employment policy arena.