Written submission to the European and External Affairs Committee regarding EU 2020

Introduction

Skills Development Scotland (SDS) welcomes the opportunity to provide a written submission to the Committee on the subject of the European Commission’s proposed successor to the Lisbon Strategy, EU 2020. Given the limited timescale, SDS did not respond to the Commission’s consultation, instead offering to provide support to the Scottish Government in formulating its response.

Reflections on Lisbon

The Lisbon Strategy has struggled in terms of its own goals. At European level, neither of the headline targets (70% employment and R&D spending of 3% GDP) has been achieved.

However, this is not to say that Lisbon’s aims were not laudable. Growth and jobs should be central to the EU’s economic policy; the four priorities (knowledge and innovation, unlocking business potential, investing in people and energy and climate change) of the last Lisbon update (March 2008) made sense.

The Commission’s evaluation of Lisbon suggests that its weaknesses centred around poor communication, ineffective governance and excessive (in terms of quantity and, in some cases, ambition) targets (with no sense of prioritisation).¹

Clearly Scotland performed well against the employment goal but less well, as with the rest of the UK, in terms of R&D spending. It will be important that EU2020 take account of relative starting positions in setting new targets.

The consultation

We are pleased that the Commission recognises this area of work as one of Europe’s key priorities, and that it is clearly keen to act very quickly. However,

we regret that the very short timescale – over the festive period – attached to the consultation meant that a robust and useful response was impossible.

In terms of how responses will be used, we note with some concern reports indicating that some respondents, including the Social Platform, feel that the Commission’s initial paper summarising responses\(^2\) has misrepresented their submissions.\(^3\)

**SDS, Scotland and EU 2020**

As the Scottish Government’s response to the consultation states, the Government Economic Strategy and the proposals for EU 2020 are well-aligned. Sustainable growth and jobs are at the heart of both.

SDS supports the three priorities outlined in the consultation:

1. creating value by basing growth on knowledge;
2. empowering people in inclusive societies; and
3. creating a competitive, connected and greener economy.

Priorities 1 and 2 are of particular relevance to our work and so we are well placed to comment on them.

*Creating value by basing growth on knowledge*

SDS agrees that strengthening education is one of the most effective ways of fighting inequality and poverty. Much of our work, through programmes such as Get Ready for Work and our support for the literacy and numeracy campaign The Big Plus, is focused on employability and basic skills. More people achieving – and sustaining – positive destinations is one of our outcomes. Our priority customer groups aim to support those who are vulnerable and at risk of social or labour market exclusion.\(^4\) Sitting alongside the development of basic and employability skills, we would emphasise the importance of career management skills – not mentioned in the consultation – which can help individuals to make robust learning and work decisions and consequently improve their future life chances.

The consultation does however refer to the importance of the use of technology in the context of skills and digital inclusion; the internet is an important communication channel which we must take full advantage of (although not to the exclusion of more traditional channels such as face to


\(^4\) Young people (aged 12-19), particularly those in need of more choices and more chances; adults (aged 20+), who need new skills to find work; and adults (aged 20+), already in work, who need to enhance their skills.
face and telephone). We are developing an integrated approach to allow customers to choose their preferred method of interacting with us.\(^5\)

**Empowering people in inclusive societies**

It is absolutely essential that people are supported into and through the labour market.\(^6\) The consultation stresses the concept of ‘flexicurity’ – flexible labour markets and “the security provided by lifelong learning and social protection.” It goes on to express a wish that lifelong learning should be more accessible and universities more open to non-typical learners. These are important points, but they do not paint the full picture; given the context of Scotland’s successful Modern Apprenticeship programme we believe there should be recognition of the value of vocational learning alongside traditional academic learning. Further education’s role must also be acknowledged.

Similarly, skills are recognised as “the key element for Europe’s economic and productivity growth and for jobs creation”, but only in the context of transitions between jobs and in avoiding long-term unemployment. Again, these are essential points that need to be addressed, but we must also consider transitions within jobs and occupations and how we actually use these skills. How skills are deployed in the workplace and what sort of learning environment the workplace provides are just as important as the attainment of the skills in the first place: there is no point in gaining skills if they are not used; and if they are not used they will be lost. People “taking up new opportunities by moving to where their skills are most needed”, as proposed by the consultation, seems to turn this logic on its head; rather, businesses should seek out and take advantage of new opportunities and drive innovation by ensuring that jobs are designed to fully harness employee skills.

The consultation makes brief reference to unlocking the potential of SMEs, one of the Lisbon priorities; businesses, particularly SMEs, must be supported so that they can fully utilise the existing skills they have available to them. Scotland’s ‘skills paradox’ is well known: we are relatively well qualified yet our productivity lags behind the UK as a whole; we sit in the third quartile of OECD nations by GDP per hour worked.\(^7\) As Skills for Scotland notes:

> “Simply adding more skills to the workforce will not secure the full benefit for our economy unless employers and individuals maximise the benefits that they can derive from these skills.”\(^8\)

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\(^5\) For further details, please refer to our recently published Corporate Plan for 2009-12, which can be found at: [http://www.skillsdevelopmentscotland.co.uk/media/49621/sds%20corporate%20plan%20-\%20secured%2025.1.10.pdf](http://www.skillsdevelopmentscotland.co.uk/media/49621/sds%20corporate%20plan%20-%20secured%2025.1.10.pdf)

\(^6\) SDS has a coordinating role in Partnership Action for Continuing Employment (PACE), the Government’s national strategic partnership framework for responding to redundancy situations. With Jobcentre Plus we have trialled the Integrated Employment and Skills service (IES) to ensure the right mix of support on skills, vacancies and benefits is available for adults seeking work, where and when they need it.

\(^7\) OECD, 2007.

In Scotland there are parallel multi-agency working groups tasked with looking at how we can improve workforce development and skills utilisation. In SDS we are currently designing a number of employer-facing services intended to help businesses utilise employee skills.\(^9\)

*Creating a competitive, connected and greener economy*

The transition to a low carbon economy will require the development and use of new technologies, and therefore new workers and skills. Scotland’s determination to act as a model of best practice in tackling climate change – including plans to cut Scotland’s emissions by 42% during the lifetime of EU 2020 – means that the need is particularly urgent. We have adopted campaigns such as *The Path is Green* with Scottish Renewables to promote ‘green’ jobs to our customers through our careers advisers and will continue to enthusiastically support the Government’s efforts in this area.

*Governance and delivery*

The consultation suggests there will be a “limited set of key objectives”. This would seem to make sense. If there are additional wider targets, it may be useful for them to be prioritised – an issue with Lisbon. The Commission note a desire for the European Parliament to play a greater role; it will be important to engage with Scotland’s MEPs on this issue.

Budgetary issues are touched on very briefly. EU budgets should be aligned with the goals of EU 2020, as the current round of structural funding was with Lisbon’s goals. It is also not clear at the moment what will happen to the lifelong learning programmes at the end of the current round.

It would also be beneficial for Scotland if EU 2020’s guidelines, under which Member States will set national objectives, emphasised the importance of involving regions and sub-national Parliaments in developing these objectives.

*Government support*

Scotland will derive greater benefit from EU 2020 if we take a collaborative, cohesive approach, both within Scotland and with partners across the EU. It may be that the Government will think it appropriate to adopt a coordinating role to ensure that all of Scotland’s relevant bodies appreciate what will be required of them if Scotland is to be successful under the new strategy. In this way it may be possible to ‘mainstream’ EU 2020 targets.

\(^9\) For further details, please refer to our recently published Corporate Plan for 2009-12, referenced at note 5.