



POSITION PAPER

Investment Plan: why investing in education matters

March 2015

In its Communication of 26 November 2014 the European Commission has proposed an **Investment Plan for Europe**; a key priority of the political guidelines of President Juncker. This Investment Plan will be based on three mutually reinforcing strands: a smart mobilisation of public and private resources of at least EUR 315 billion over the next three years; targeted initiatives to make sure that this extra investment meets the needs of the real economy (investments and projects); and measures to improve investment conditions to make Europe more attractive. On 13 January 2015, the European Commission adopted the legislative proposal for the European Fund for Strategic Investments, which will be established in close partnership with the European Investment Bank (EIB). The proposal sets up a European Investment Advisory Hub to help with project identification, preparation and development across the Union. Finally, a European Investment Project Pipeline will improve investors' knowledge of existing and future projects. EUCIS-LLL welcomes the new **Investment Plan** that should aim to support a greater cohesion and solidarity in Europe...

Quality Education and Training: an investment for the future of Europe

The first [report](#) made by the Task Force set up by the European Commission and the European Investment Bank, together with EU member states **justly recognises the need to invest in education** “Education is thus key to productivity and growth and has high private and societal returns. Currently, there is a significant investment gap in education across the EU, while other regions in the world are using education as a strategic investment to strengthen their competitiveness. (...) Many EU Member States **reduced their education budgets** in real terms since 2010. As the public sector is the most important source of funding in the EU, the funding gap is expected to widen with negative long term implications for Europe’s economy. In addition, the long term nature of education investment, the inadequate financial returns and externalities limit potential private financing”.

EUCIS-LLL has repeatedly stressed the **implementation gap** that exist between the recommendations set in the framework of the European Semester and the decisions made by Member States. In the [2014 Annual Growth Survey](#) the Commission considers that “in terms of expenditure, Member States need to find ways to protect or promote longer term investment in education, research, innovation, energy and climate action” and that “it is essential to invest in the modernisation of education and training systems, including lifelong learning.” However, **public spending** in education **decreased** from 2000 to 2011 in most Member States¹. There is a **clear lack of coherence that hinders the whole process and the trust of citizens and civil society organisations alike**.

Putting the focus right: investing in infrastructures and in people!

The first strand of the Plan is the mobilisation of at least EUR 315 bn of additional investment over the next three years. The Communication states that “there should be no thematic or geographic pre-allocations, in order to guarantee that projects are chosen on their merits and maximise the added value of the Fund. The Fund will be flexible since different regions have different needs in order to jump-start investments”. However references to the Country Specific Recommendations are made especially in the country profiles. In the expert report and in the project lists, the main focus is on **digitalised education**². The report justly outlines the main challenges ahead at all levels of education

¹ [Education and training Monitor 2013](#), European Commission, 2013

² Illustrative example of project(s)

and training systems in terms of broad-based modernisation programmes to make the facilities fit for purpose and equip them with latest generation technology and to modernise the IT infrastructure of educational institutions, including targeted investments to boost the use of new technologies in higher education. EUCIS-LLL does agree that this is a key challenge to address (i.e. see our [position paper](#)).

EUCIS-LLL has been raising a certain number of issues such as the **need to invest in validation schemes, adult education, teacher training, targeted measures for disadvantaged groups and early school leaving** notably via a greater cooperation between formal and non-formal education. Those issues which are sometimes mirrored in the Country Specific Recommendations are not reflected in the proposed projects.

Evidence is striking; the number of people at risk of poverty and social exclusion in the EU increased from 114 million in 2009 to 124 million in 2012. **Youth unemployment** reached 59,2% in Greece in 2013³, while those neither in employment nor in education and training (**NEETs**) have significantly increased in OECD countries since the start of the crisis⁴. Inequalities persist in European education and training systems where **vulnerable groups** such as migrants are particularly disadvantaged⁵. Beyond formal education, **participation of adults in lifelong learning** has been stagnating for many years⁶ and 20% of the EU working age population has **low literacy and numeracy skills**⁷, reducing by half their chances to be employed but also to access basic welfare services, participate in democratic and associative life or develop a sense of social cohesion. The OECD also shows correlations between educational attainments and life expectancy⁸.

The **cost of non-investing in education especially for the most vulnerable groups is very high**. Lower-skilled adults in literacy are for instance twice less likely to be employed but also to access basic welfare services, participate in democratic and associative life or even develop a sense of social cohesion. One of the key findings of the Education and Training Monitor 2014 is that socio-economic and socio-cultural inequalities continue to impact negatively upon educational outcomes. Parental educational attainment still determines to a large extent one's own educational attainment. Promoting solidarity and fighting inequalities in education and training should thus be a priority of the new Investment Plan to support a greater cohesion and inclusive growth in Europe. Key challenges include the need to invest in reform programmes to implement schemes to fight early school leaving...

Changes in grant systems: potential risks for education

The proposal made by the Commission ([factsheet n°2](#)) states that changes could be implemented in the way EU grants function with: an overall doubling in the use of innovative financial instruments for the period from 2014-2020; the possibility for Member States and regions to raise the multiplier effect of EU funds **by increasing the amount of national co-financing above the minimum legal requirements**; and to use EU funds still available under the 2007 to 2013 programming period in support of this Investment Plan. EUCIS-LLL sees a risk in the proposal to increase the level of co-funding at national level as many projects, as well identified in the report, are small-scale projects that do not attract private investors.

Bottlenecks for investments in education have been reported in the expert report such as the (1) the small individual project size (the need to combine projects in order to attain certain critical size);

³ Commission's Communication "[Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth](#)", 2014

⁴ OECD's "[Society at a glance. OECD social indicators: the crisis and its aftermath](#)", 2014

⁵ Ibid.

⁶ [Eurostat data, 2013](#)

⁷ [PIAAC, the survey on adult skills](#), OECD 2013

⁸ OECD's "[Society at a glance. OECD social indicators: the crisis and its aftermath](#)", 2014

(2) the dispersed and complex multi-level governance of education; (iii) the administrative barriers preventing cooperation between educational institutions and private sector (representing future employers); and (iv) lack of private investment in lifelong learning (market failure), putting older workers at a disadvantage; and (v) encouraging the creation and support of open, digital learning environments, new methods and technological learning solutions where content is widely accessible. EUCIS-LLL has thus doubts about the possibility of increasing the co-funding level in the field.

In order to ensure a fast delivery, the proposed action can be financed within the current Multi-Annual Financial Framework for the EU budget for 2014-2020. While the European Fund for Strategic Investments is being set up, important sources of funding exist in already approved work programmes under the Connecting Europe Facility and Horizon 2020 and will become available in 2015 for funding of projects. The EU guarantee will be backed up by existing EU funds from the existing margins of the EU budget (€ 2 billion), the Connecting Europe Facility (€ 3.3 billion) and the Horizon 2020 programme (€ 2.7 billion), to a total amount of € 8 billion. EUCIS-LLL wonders how this will **impact Horizon 2020 programme**.

WHO IS EUCIS-LLL?

The European Civil Society Platform on Lifelong Learning (EUCIS-LLL) is an umbrella association that gathers 36 European organisations active in the field of education and training, coming from all EU Member States and beyond. Currently these networks represent more than 45 000 educational institutions (schools, universities, adult education and youth centres, etc.) or associations (involving students, teachers and trainers, parents, HRD professionals, etc.) covering all sectors of formal, non-formal and informal learning. Their members reach out to several millions of beneficiaries. Download our brochure in [23 languages!](#)

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