

The Future “EU 2020” Strategy

Barnsley Metropolitan Borough Council is a municipal authority at NUTS 3 level based in the North of England. We have approximately 220,000 inhabitants. The area's traditional industries were coal, steel, glass and textiles. These industries have now declined and the area is reshaping its economy. In the last financial perspective the district was part of an Objective 1 area and considerable progress was made from 2000 – 2007 to reshape the sub-regional economy

Barnsley Metropolitan Borough Council (BMBC) welcomes the opportunity to comment on the future “EU 2020” strategy. The Council and its partners have worked hard to recover from the industrial restructuring of the 1980s and 1990s, foster a balanced economy and develop the skills of local people. The global economic crisis has had a major impact on the local economy and the increase in the unemployment rate in Barnsley has been higher than the national or regional average. The local authority and its partners however remain focused on promoting recovery and achieving their ambition to create a 21st Century Market Town that enjoys the benefits of a sustainable knowledge based economy.

We believe in the need for a clear vision that can be shared and understood by all stakeholders and EU citizens. Governing authorities and stakeholders require a clear framework within which they can co-operate, each understanding their own role and contribution. A simple statement of intentions will offer clarity and provide a context for more detailed policy considerations and provide the flexibility required to integrate policies at regional and local level. The new strategy should avoid over complicating its statement of intentions as the aim should be to simplify the implementation of the strategy and avoid bureaucratic delay.

For these proposals to work, it is essential that there is positive and enthusiastic support from Member States, without which the macro-economic conditions will not be delivered and interventions at lower levels of governance will be slowed or thwarted. Certain of the proposals in the consultation, such as those relating to pensions and benefits could be problematic for some member states.

The local authority and local strategic partners endorse the 3 priorities which will drive “EU 2020”. Our own local sustainable community strategy includes similar ambitions. In particular we welcome the greater articulation of the need for empowered people in inclusive societies. As a local authority we have championed the need for lowering carbon emissions and fully support the vision of a digitally advanced European Union with access to all. We would note however that access to digital services is not only based on the physical access to the technology, but also the understanding of the value of, and the skills and confidence to utilise digital opportunity.

The consultation delineates the challenge facing the European Union and its composite Member States and the challenges facing all policy makers. BMBC would re-iterate the need for co-operation and coordination between different member states and levels of governance, with clear roles for EU, Member State, regional and local authorities. The ability to integrate policy instruments is also essential for responsive and effective interventions. For this to be possible governance structures need to be efficient and

simple. As is noted in the consultation ***“To stay ahead, the EU needs to be quick in seizing opportunities and in anticipating and adapting to future trends”***. To enable public authorities and their partners to move swiftly to respond to opportunities and threats they require flexibility and simplification of rules, including state aid.

BMBC proposes that public authorities at local level should be part of the solution and that local authorities should be enabled to contribute to the policy within a framework of multi-level governance. Often local authorities are in the best position to respond to a rapidly changing environment, to support SMEs in their locality, identify the future demand for skills in the local economy, align different interventions to maximise impact and facilitate integrated working with partners. New jobs are created by companies, not public authorities in themselves, and the greatest potential for new jobs lies within SMEs. As well as a positive and stable macro-economic environment, this requires facilitation and support at the local level and this can be provided through local partnerships that are also in a good position to draw down and publicise support provided by regional authorities.

Any EU policy aiming to promote growth should be inclusive of economic and territorial cohesion. This not only relates to the principles of social justice and solidarity, but provides a driver for economic development for the whole European Union. Underperforming areas have untapped potential for economic growth. If these aspects are not addressed, not only will market failure continue to undermine the economic growth of the European Union as a whole, but the costs of economic inequality, such as areas of high unemployment, under-employment and vulnerability of local companies to globalisation, create costs for the EU and its member states. To thrive in the global context the EU needs to maximise the productivity of all its resources.

We welcome the recognition that innovation should not be limited to new business areas, but should also extend to traditional sectors, many of which have huge potential for creating the green economy. Competition policy and the single market on their own will not drive forward innovation through SMEs' in traditional sectors. To avoid creating deep seated pockets of market failure SMEs' require proactive support, mentoring and linking to new opportunities and the local availability of the skills required to contribute to and flourish in ***“a knowledge based, connected, greener and more inclusive economy, growing fast and sustainably, creating high levels of employment and social progress.”*** Local authorities can play a positive role through their procurement policies, which have the potential to deliver market demand for new products and processes.

We agree the EU should support and co-ordinate Innovation in cutting edge areas. We also recommend that the EU ensures that, "ordinary" businesses receive the support they require to innovate, research and improve. This would unleash growth potential and help to create a broader step change in the innovation capacity of the European economy as a whole. Currently access to innovation funds is often too complex and difficult for the majority of "ordinary" companies to access. These companies require measures that disseminate innovation support more effectively.

BMBC welcomes the emphases in the consultation on entrepreneurship and agrees that developing these skills within companies and individuals will be a vital ingredient for recovery and developing a sustainable economy. Entrepreneurship can be facilitated across a variety of policy areas and although restructuring the benefits system in member states can remove one area or disincentive, improved access to micro-credit

and removing “red tape” are also powerful enablers. Embedding enterprise in education and lifelong learning, from the earliest years, is essential. In addition competition policy that aims to improve the working of the single market should be assessed to recognise its implications for small and start up companies. Competition policy as expressed in the UK ESF programme excludes some smaller organisations that are actually best placed to deliver services most effectively to the community.

Social inclusion is a key focus for BMBC and we support the proposals for improving transitions between employments and for continuing to build the employability and adaptability of people when they are out of work. In South Yorkshire we have a model called “Progress Together” which is funded through ESF which aims to provide a holistic person centred service to help unemployed and inactive people access all the support they need to reconnect to the labour market. BMBC also has 300 opportunities via its Future Jobs Fund, which recognises that individuals who have been at a distance from the labour market require intensive support as well as employment opportunities. These are both examples of how local and regional authorities are able to provide the support promoted in the consultation document.

Providing access to lifelong learning is a key priority in this work. Consideration should be given, however to the perspective of disadvantaged groups and those with no skills, who are more easily engaged and progressed through first step learning that doesn't necessarily appear to have a stated economic outcome, but is promoted as a lifestyle learning opportunity. Our Neighbourhood Learning Net has been working on this strategy for a number of years and is able to progress individuals with no skills to achieving a level 2 qualifications in 10 months. Progression routes have also been put in place up to level 4. Similarly e-learning can offer considerable opportunity for developing skills, but often requires support to help inexperienced learners engage successfully.

Migration from within and without the European Union can play a positive role in delivering the skills for a competitive economy and we agree that migration needs to be better managed to maximise its potential benefits. However alongside the consultation proposals, effective regulation is required to avoid the exploitation of migrant workers and the displacement of a vulnerable indigenous work force. The ambition for a highly mobile EU workforce however does not address the issue of language skills. The implication of the document is that the EU would seek to mirror the mobility of other large economic blocks such as the USA. However the EU has 23 official languages alone. It is unrealistic to expect EU workers to be highly mobile, without addressing the issues around language, and in particular the specialist areas of language required to effectively deploy skills within labour markets in diverse member states.

BMBC agrees that greater efficiency in the use of resources is vital to recovering from recession and delivering the vision for the EU economy. We also support the proposals for greater inter-connectivity for virtual and physical infrastructures. As noted earlier however we would stress that consideration is also given to tackle the skill and confidence issues that foster the digital divide.

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