22 COHESION POLICY

Preview

Social and economic inequalities are a fact of life, if for no other reason than because humans have different aspirations, abilities and opportunities. Europe's governments have a long history of trying to address the inequalities, some with more conviction and success than others. To their individual efforts have been added collective initiatives in promoting cohesion across the EU by trying to build a level economic playing field: the GDP of the wealthiest EU regions is several times that of the poorest, and urban areas are generally wealthier than rural areas, creating disparities that interfere with balanced development.

Regional policy tries to address those disparities by investing in job creation and economic growth. Social policy focuses on encouraging free movement of labour, improving living and working conditions, and protecting the rights and benefits of workers. At the core of EU concerns have been the curiously persistent high rates of unemployment in parts of the EU, made worse – particularly among younger Europeans – by the twin effects of the global financial crisis and the euro zone crisis.

Improved social mobility and a more open labour market are, in turn, a function of the portability of educational qualifications. Education policy is still very much the responsibility of the member states, but the Council of Europe and the EU have been behind programmes to establish equivalencies across national borders and encourage Europeans to complete at least part of their education in another member state. Cross-border education also plays a key role in helping build a sense of pan-European identity.

Key points

- Cohesion policy works to strengthen the internal bonds of the EU marketplace by supplementing national efforts to reduce economic disparities, mainly through the redistribution of wealth from wealthier to poorer parts of the EU.
- The EU has five structural and investment funds targeted at job creation, innovation, investment in transport networks, modernizing agriculture and encouraging sustainable fisheries.
- EU social policy addresses issues such as improved working and living conditions, and the rights of workers, women and the disabled.
- One problem that European policy has so far been unable to address has been the persistence of high levels of unemployment in many parts of the EU, a problem made worse by the effects of the global financial and euro zone crises.
- Initially in the interests of promoting the free movement of workers, since the late 1980s the EU has been increasingly active in efforts to promote mobility in education.
- One of the effects has been the rise of the Erasmus generation, a group of mainly younger, better educated and more cosmopolitan Europeans with a heightened sense of pan-European identity.

Comparing economic equality

When Poland joined the EU on 1 May 2004, it had one of the most antiquated and inefficient railway systems in Europe. Much of its network had been built before the Second World War by the Germans and the Russians, and was in such a poor condition that trains were limited to top speeds of 160 km/h (100 mph) even on the main lines. It was little surprise, then, that the upgrading of the Polish railway system was one of the priorities of EU investment in Poland as a new member of the EU club. Thanks in part to that investment, and to loans from the European Investment Bank, new track was laid, old track was replaced, stations were modernized, signalling systems were upgraded, connections with other parts of the EU were improved, and work is today under way on Poland's first high-speed rail line. As a result, Poland has become the biggest recipient of EU spending on regional development, with its railways taking up the second largest share of that spending, just behind the share dedicated to building highways, of which Poland had woefully few in 2004.

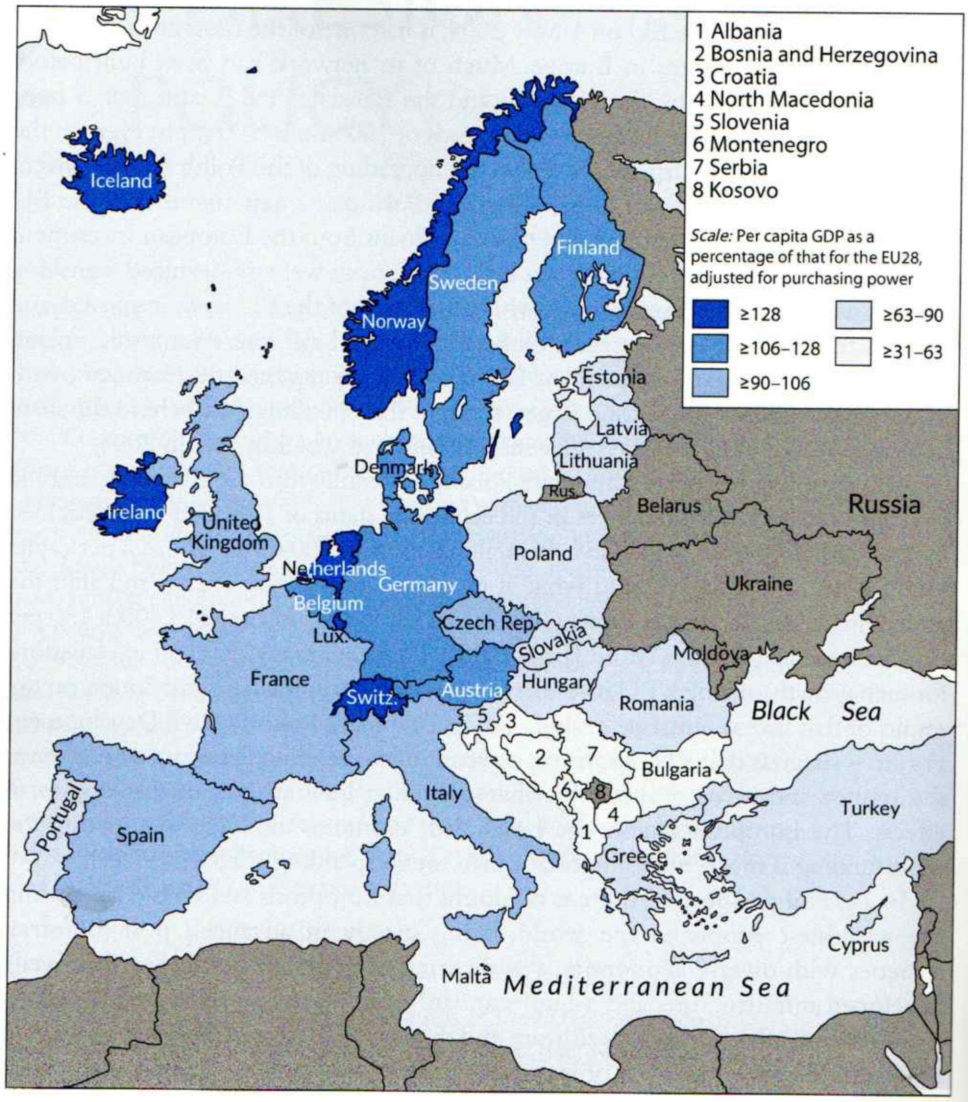
This spending has helped integrate Poland more fully into the EU, removing the large and often visible differences in the economic status of a country long shackled by the inefficiencies of Soviet-style central planning: in 2004, Poland had a per capita GDP of just under $6,700, and while it travelled a rocky road during and after the global financial crisis, its per capita GDP in 2018 stood at just over $15,400, a 130 per cent increase in 14 years (World Bank, 2019). There are many different explanations for such growth, of which EU investment is just one, but some have cast doubts on the results of that investment: one analyst - Anna Czepiel of Poland's Civil Development Forum – suggests that EU reports on its investment spending focus on who receives the money and in what amounts, while providing little analysis of the long-term effects. The European Union, she concluded, 'promotes the logic that getting the most funding is much more important than sound spending' (Schacht, 2019).

In a global perspective, there is no doubt that Europeans as a whole are among the wealthiest people in the world, living mostly in advanced post-industrial societies with diverse economies, a wide array of generous public services, well-developed infrastructure, and a high standard of living when measured by access to education, jobs, housing, healthcare and disposable income. However, economic inequality persists, and levels of income and opportunity vary within EU member states and from one state to another.

Wealth tends to go hand in hand with education and services, which is partly why Luxembourg – whose economy is based almost entirely on banking and financial services – is one of the wealthiest countries in the world when measured by per capita gross domestic product (GDP). Meanwhile, the tribulations of the EU's marginal areas have different causes: some are depressed agricultural areas; some are declining industrial areas; some are geographically isolated from the opportunities offered by bigger markets; some suffer the effects of urban decay; and most suffer lower levels of education and healthcare, as well as underdeveloped infrastructure.

The data illustrate the dimensions of the problem. Using the comparative measure of per capita GDP adjusted to account for purchasing power (how much can be bought with a unit of currency in each member state), Map 22.1 shows that western European states tend to be at the higher end of the range, while most eastern European states tend to be at the lower end. If we express the figure for the whole EU as 100, the per capita GDP of Luxembourg was – at 254 in 2018 – more than five times that of Bulgaria (50), with its larger rural and agricultural population. Inequality remains a problem within member states as well, as illustrated by the case of Germany: while some of the southern regions

Map 22.1 *Economic wealth in the EU*



Note: Indicates relative per capita GDP, based on assigning a value of 100 to the EU28 as a whole. Highest figure: Luxembourg, 254, lowest: Bulgaria, 50. Figure for US is 140 and for Japan is 96. Data are for 2018.

Source: *Eurostat (2019a).*

of the country have a GDP index of 160–180, parts of eastern Germany have an index as low as 87–90.

With such problems in mind, the EU has given priority to the promotion of economic opportunity. Through what is known as **cohesion policy**, it works to strengthen the internal bonds of the EU marketplace by supplementing national efforts to reduce regional economic disparities and bringing down the remaining barriers to the single market. In addition to the obvious economic and social benefits of such efforts, there is an important psychological element to this: the benefits of integration are made clearer to poorer states benefiting from the new opportunities created by the redistribution of wealth, and to richer states capitalizing on the opportunities created by the building of new markets (European Commission, 2017c).

Cohesion policy Policy aimed at redistributing wealth and creating new opportunities in poorer parts of the EU with the goal of closing the income gap.

The origins of cohesion policy lie in the grants made available by the European Coal and Steel Community to help revitalize depressed industrial areas. The Treaty of Rome emphasized the need for the member states to strengthen their economies and 'ensure their harmonious development by reducing the differences existing among the various regions and the backwardness of the less favoured regions'. It also set up a European Social Fund (ESF) designed to promote worker mobility by supporting retraining and job creation. There was little enthusiasm among the six founding member states of the EEC, however, to a 1969 Commission proposal for the launch of a common **regional policy**; the economic disparities among the six were not regarded as sufficiently large.

Regional policy Policy aimed at reducing the economic disparities among the regions of the EU, focusing on job creation and economic growth.

Views changed with the 1973 accession of Britain and Ireland, which widened the economic disparities within the Community. A 1973 Commission-sponsored study (the Thomson Report) argued that such disparities threatened to undermine plans for economic and monetary union, and that they could pose a threat to the common market (Commission of the European Communities, 1973). In response, it was decided in 1975 to set up the European Regional Development Fund, aimed at moving investment from the wealthier to the poorer parts of the EEC. The accession of Portugal and Spain in 1986 meant a further widening of regional disparities, added to which there were concerns that the Single European Act (SEA) would result in a greater concentration of wealth in the Community's core economies. These prompted reforms that generated a more genuinely European cohesion policy, with a doubling of spending and more efforts to invest in those parts of the EU most obviously in need. The SEA listed the key goal of strengthening the 'economic and social cohesion' of the Community, since when the term *cohesion* has been used to describe efforts to bridge economic differences. Another initiative came in 1993 during the negotiations over Maastricht when Spain pushed for the creation of a Cohesion Fund that would compensate poorer EU states for the costs of tightening their environmental quality standards and investing in improvement of infrastructure.

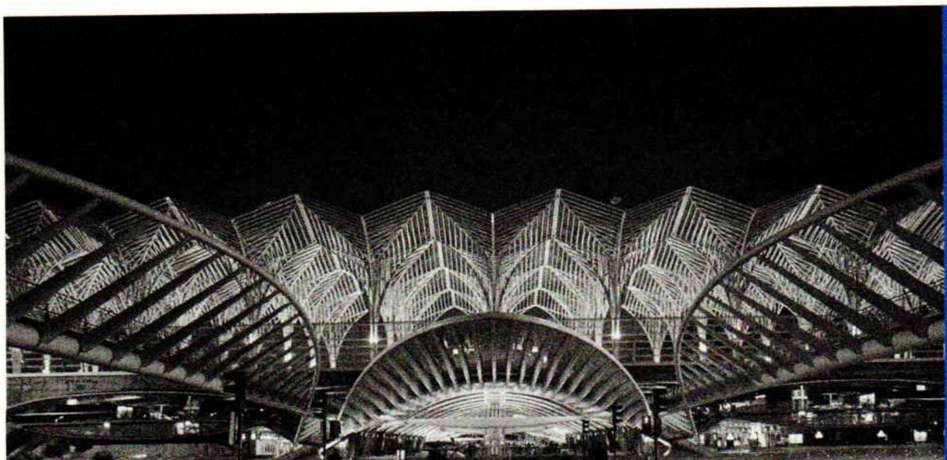


Illustration 22.1: The use of EU cohesion funds is reflected in projects such as Lisbon's Estação do Oriente, built – with EU support – as a combined railway/metro/bus station, shopping complex, and exhibition site.

Source: EC - Audiovisual Service

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Source: EC - Audiovisual Service

Structural and investment funds Funds managed by the EU and designed to invest in economic development and job creation in poorer parts of the EU.

The structural and investment funds

Approaches to regional policy had changed several times, then, between the early years of integration and the launch of the single market project in the 1990s. The picture changed once again with eastern enlargement in 2004–07, which added states to the mix that were still suffering from the stultifying effects of decades of Soviet-style central planning and underdevelopment, further widening the gap between rich and poor parts of the EU. Another round of reforms and adjustments led to the creation of the system that exists today, which is based around five **structural and investment funds** (see Figure 22.1). Through each, resources are transferred to those parts of the EU most clearly in need of help. Each fund has a different target – whether job creation in inner cities, the retraining of workers or helping meet the costs of tighter environmental regulation – and eligibility for spending varies according to need.

The EU has also made investments in economic growth through two other funds with more focused targets:

- The *Solidarity Fund* (created 2002) supports responses to natural disasters by restoring infrastructure, providing temporary accommodation, funding rescue services and protecting cultural heritage. By 2018, more than €5.5 billion had been spent from the fund in 23 countries to help alleviate the effects of floods, forest fires, earthquakes, storms and drought, a record €1.2 billion being spent in 2016–17 alone to help clean up after earthquakes in central Italy. In mid-2019, the Commission went so far as to suggest that nearly €600 million should be released from the fund in the event of no-deal Brexit, which – it argued – would constitute a 'major disaster' (Boffey and Rankin, 2019).

Figure 22.1 *The structural and investment funds*

NAME	CREATED	MAIN GOALS	ELIGIBILITY	Projected spending 2021–27
European Social Fund	1958	Job creation and worker mobility, combating long-term unemployment and helping workers adapt to technological changes.	All EU states.	€101 billion
European Regional Development Fund	1975	Targets imbalances between EU regions, including investments in innovation and research, and in small and medium-sized businesses.	All EU states.	€227 billion
Cohesion Fund	1992	Investments in trans-European transport networks and improved environmental standards.	States with per capita GNI less than 90% of EU average.	€47 billion
European Agricultural Fund for Rural Development	2006	Helps modernize farming and forestry, supports diversification of the rural economy.	All EU states.	€79 billion
European Maritime and Fisheries Fund	2007	Encourages sustainable fishing and diversification of economies in coastal communities.	Mainly coastal states of the EU.	€6 billion

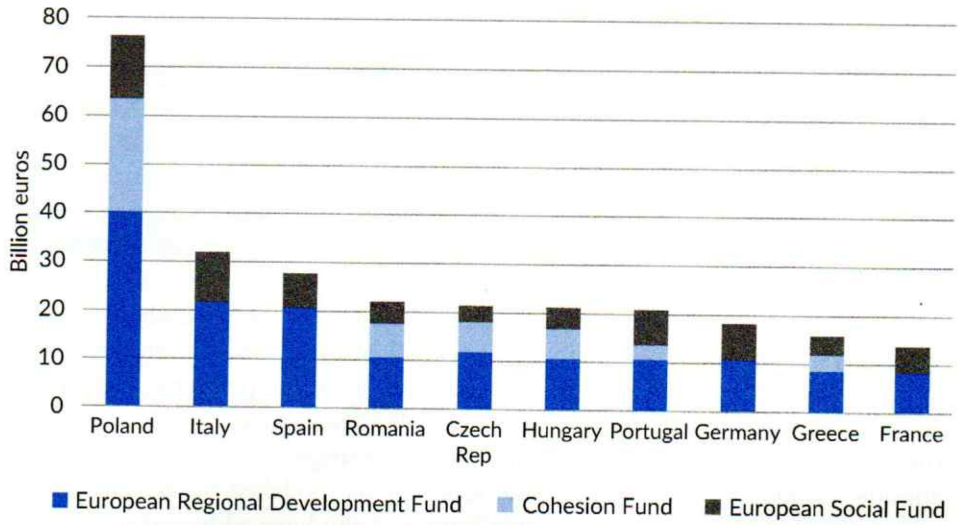
- The *Globalization Adjustment Fund* (created 2007) helps workers who have lost their jobs as a result of trade liberalization to find new jobs. Most of the help so far has gone to people once employed in the vehicle, mobile phone, furniture, textile and clothing industries. The fund had an annual budget of €150 million for 2014–20.

In the period 2014–20, a total of nearly €325 billion (or €650 per resident of the EU) was budgeted for the structural and investment funds, and another €460 billion was budgeted for 2021–27. As Figure 22.2 shows, the biggest recipients in absolute terms in recent years have been eastern member states, along with Italy, Spain and Portugal; Poland received the most in absolute terms (nearly €80 billion, or almost a quarter of all spending). Western European states received the least.

Although the EU's cohesion spending has been substantial, opinion on its effectiveness has been divided, mainly because of the difficulty of determining the link between cause and effect in economic matters. Reducing gaps in wealth and opportunity is as much a function of effective economic policies and changes in the wider economic environment as it is the redistribution of wealth, making it hard to pick out the particular effects of EU policy. The waters were also muddied by the effect of the global financial crisis, which pulled EU states in different directions: while the need for more development investment in poorer parts of the EU remained clear, the desire to control spending and budgets made wealthier governments look more closely at the efficiency of spending. EU funding has always been intended to complement national spending, but questions remain about whether cohesion is better promoted collectively or whether there should be a 'renationalization' of policy through which wealthier member states should use national resources rather than relying on EU assistance, with a corresponding reduction in the amount they pay into the EU budget. Unsurprisingly, poorer states have opposed this idea, along with the Commission and the European Parliament.

The efficiency of cohesion spending has also been undermined by problems with fraud. In a report published in 2019, the Court of Auditors noted that while cohesion spending accounted for one-third of the EU budget, it accounted for

Figure 22.2 *Major recipients of EU structural spending*



Source: European Commission (2019b). Data are totals for 2014–20.

nearly 40 per cent of all fraud cases involving EU funds, and almost three-quarters of the total amount involved in these cases. Although most member states seemed to regard their anti-fraud measures as sufficient, noted the Court, they were clearly not enough to tackle the problem. More than 4,000 incidents of fraud involving EU spending were identified between 2013 and 2017, and while the number of incidents was greater with agricultural spending (half of all reported incidents), the amounts involved were far greater with cohesion spending (just over €1 billion) (European Court of Auditors, 2019).

CONCEPT

Social dumping

The process by which businesses cut production costs and attempt to build competitive advantage by either using lower paid migrant or temporary workers, or by moving jobs, money and services to other countries with weaker labour standards and lower wages and social security costs. It is considered a threat to the EU single market, and several efforts have been made by the European Parliament to discourage the practice.

Social policy

The quest for economic equality has also meant a debate at the EU level about **social policy**: improved working and living conditions, and the rights of workers, women and the disabled. The EU's interest in this area is a logical outcome of the post-war histories of welfare promotion in most northern and western European states, and has been a key part of the single market programme because of the need to ensure equal opportunities and working conditions. At the same time, its efforts have been controversial, pitting supporters in labour unions, the Commission and Parliament against opponents in EU business and among conservative political parties. Supporters argue that the opportunities of the single market need to be more equitably spread, while opponents argue that social policy runs the danger of making EU companies less competitive in the global market. Questions have also been raised about whether these matters are best dealt with at the national or EU level. The result, concludes Anderson (2017), is that EU activities in the field of social policy have been extended progressively but cautiously.

The Treaty of Rome was based on the hopeful but naive assumption that the single market would help encourage better distribution of resources, allowing the kind of economic growth that would improve life for all European workers. The treaty made provision for the creation of the European Social Fund, but with the political focus in the 1960s on completing the single market and resolving battles over agricultural policy, the movement of workers remained heavily restricted, and market forces failed to address problems such as gender and age discrimination, different wage levels, different levels of unemployment, and improvements in safety and health in the workplace.

The widened economic gap brought on by enlargement in 1973 not only sparked new efforts on regional policy but also pushed social issues back up the agenda. In 1974 the first in a series of four-year Social Action Programmes was launched, based on the ambitious goals of achieving full employment, improved living and working conditions, and gender equality. Although there was increased spending under the ESF in the 1980s, with a focus on helping combat long-term unemployment and creating jobs and training schemes for young people, a combination of economic recession and resistance from several Community leaders ensured that words failed to be translated into deeds (Anderson, 2017).

Social policy Efforts made by the EU to promote equal pay, equal working conditions, gender equality, worker training and workers' rights.

Social policy cropped up in the discussions leading up to the SEA, when concerns were raised about worker mobility and **social dumping**. The Commission tried to focus the attention of national governments on these problems, but further recession ensured more political resistance. In 1987 a new direction was taken when the Belgian presidency of the Council of Ministers suggested that the Community consider developing a charter of basic social rights modelled on Belgium's own new national charter. Many of the same issues had also been addressed in the often overlooked European Social Charter, which was drafted by the Council of Europe, opened for signature in 1961, and came into force in 1965 (see Khaliq, 2013).

Social Charter An EU charter of social rights for workers, adopted in 1989 and merged into the treaties in 1997.

Hoping to draw more attention to the social consequences of the single market, Commission President Jacques Delors took up the cause of what became known as the Community Charter of the Fundamental Social Rights of Workers, or, more simply, the **Social Charter**. In the face of British opposition, the other 11 member states adopted the Charter at the 1989 Strasbourg summit of the European Council, heralding it as the social dimension of the SEA. The Charter brought together all the social policy goals that had been developed by the Community (see Table 22.1) and was finally incorporated into the treaties by the Treaty of Amsterdam. (Somewhat confusingly, a 'social chapter' had been annexed to the Maastricht treaty, extending qualified majority voting to a limited number of social policy matters, including equal opportunities and working conditions.)

Table 22.1 *Selected rights under the Social Charter*

DIGNITY	**SOLIDARITY**
Right to life	Right of collective bargaining and action
Right to the integrity of the person	Protection in the event of unjustified dismissal
Prohibition of torture	Fair and just working conditions
Prohibition of slavery and forced labour	Prohibition of child labour
FREEDOMS	Family and professional life
Right to liberty and security	Social security and social assistance
Respect for private and family life	Healthcare
Protection of personal data	Environmental protection
Right to marry and right to found a family	Consumer protection
Freedom of thought, conscience and religion	**CITIZENS' RIGHTS**
Freedom of expression and information	Right to vote and to stand in elections to the European Parliament
Freedom of assembly and of association	
Right to education	Right to vote and to stand in municipal elections
Right to engage in work	Right to good administration
Freedom to conduct a business	Right of access to documents
Right to property	Right to petition
Right to asylum	Freedom of movement and of residence
EQUALITY	**JUSTICE**
Equality before the law	Right to an effective remedy and fair trial
Non-discrimination	Presumption of innocence and right of defence
Cultural, religious and linguistic diversity	Right not to be tried or punished twice for the same criminal offence
Equality between women and men	
The rights of the child	
The rights of the elderly	
Integration of persons with disabilities	

CONCEPT

Poverty

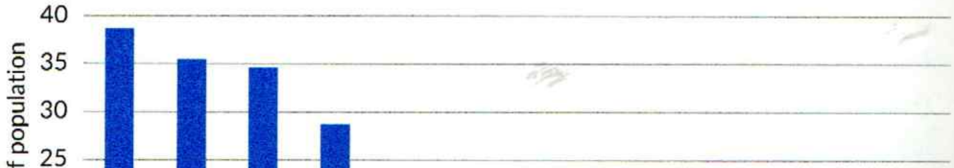
Poverty is hard to define or measure in absolute terms, but must instead be seen relative to the overall distribution of income and opportunity in a given community. Broadly, someone is poor if they struggle to meet their basic needs for food, shelter and clothing, or to maintain at least a minimum standard of living. In spite of all the investments made in the EU and its member states in welfare, education and job creation, there are still many Europeans who go without, leaving them marginalized and frustrated, and creating stresses within European society. EU research suggests that as many as 22 per cent of the residents of EU member states lived at risk of poverty or social exclusion in 2017, with the problem being most marked in Bulgaria, Romania and Greece, and least marked in the Czech Republic, Finland and Slovakia – see Figure 22.3.

Social policy up to this point was more talk than action, Hantrais (2007, p. 13) arguing that neither the Social Charter nor the social chapter signalled 'a strong commitment to social affairs as an objective in its own right, or on a par with economic union'. On specific matters of policy, family issues were almost entirely excluded, opinion was divided about the impact that EU policy has had on women's rights (particularly equal access to employment), the work of the EU focused more on awareness-raising than hard policy initiatives, and **poverty** remains a problem across the EU in spite of the opportunities that were supposed to have been created by the single market.

If one issue has dominated the debate on social policy, it has been the failure of the EU marketplace to help bring rates of unemployment down to the healthy levels that supporters of the EU single market optimistically expected. The Treaty of Amsterdam left competence for employment policy in the hands of member states but also called on them to develop a coordinated employment strategy, and set up a system under which information on national employment policies could be shared. It also obliged the EU and the member states to work towards a coordinated strategic approach to employment, and when the European Council met in Luxembourg in November 1997, employment was the sole item on the agenda. The outcome was the launch of a European Employment Strategy (EES, also known as the Luxembourg Process) designed to encourage cooperation on national employment policies through the open method of coordination.

The results of EU and national policies were not encouraging: prior to the global financial crisis, for example, the euro zone was running at about 7 per cent unemployment, compared to a healthy 4.5 per cent in the United States. With the double blow of the global financial crisis and the euro zone crisis, the picture in Europe darkened; while the overall EU rate remained steady at about 9–10 per cent, and has recently been even lower in Germany, it shot up to a high of 24–26

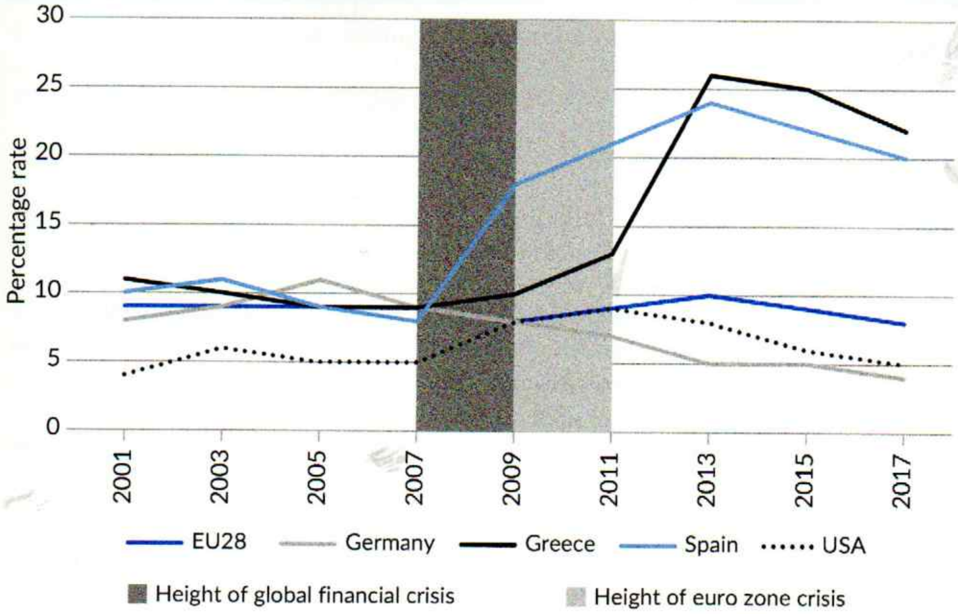
Figure 22.3 *Poverty rates in the EU*



Note: Indicates percentage share of population considered to live in households at risk of poverty or social exclusion. Data are for 2017.

Source: *Eurostat* (2019b).

Figure 22.4 *Unemployment and the euro crisis*



Source: *EU figures based on Eurostat (2019c). US figures from US Department of Labor (2019).*

per cent in Spain and Greece (and had still not returned to pre-crisis levels as late as 2017). Meanwhile, the United States was able to weather the global financial crisis, its unemployment rate in 2017 being back to 5 per cent, contrasting with the EU rate of 8 per cent (see Figure 22.4).

Why EU rates were so high even before the global financial crisis is debatable, and numerous explanatory factors have been suggested. Prime among these, there is the large number of European workers (about one-third of the workforce, by some estimates) who lack skills and have few or no formal qualifications, making them less employable. Making matters worse, while millions of new jobs had been created in the EU in the two decades prior to the crisis, nearly half had been temporary or part-time jobs, and many were in the service sector. Because men and women new to the job market were filling many of these jobs, their creation had done little to help ease long-term unemployment. Unemployment problems have been made worse by short-term trends such as the erosion of exports and investments in the wake of the global economic crisis, and job cuts in industries that have suffered the effects of the economic downturn. Overall, it has been clear that – in this case at least – multilevel governance in the EU (see Understanding Integration 13) – has not worked well in the field of job creation.

Education policy

It was understood from the early days of the EEC that a true single market demanded an open labour market, but although the Treaty of Rome set the goal of free movement of people, this was subject 'to limitations justified on grounds of public policy, public security or public health'. Because the movement of workers was initially seen in terms of filling economic need, governments discouraged skilled workers from leaving for other countries. As part of the package, education

UNDERSTANDING INTEGRATION 13

Multilevel governance

In the cases of cohesion, social, employment and education policy (as well as most other areas of policy in which the EU is engaged), it is critical to note that the EU does not work in isolation, and that policy should be seen as the product of multiple levels of government working together, from the supranational to the local. These are all examples of multilevel governance (MLG), an approach to understanding the dynamics of European integration that contrasts with the state-centric approach that was once popular, and that saw states as the key political actors in the process of integration. MLG describes a system in which authority exists across multiple levels that all interact without one another. For Marks et al. (1996), it is a system of 'overlapping competencies among multiple levels of governments and the interaction of political actors across those levels'. In contrast to the state-centric view of a two-level game involving the EU institutions and states, they argue, MLG is based on the idea of 'a set of overarching, multi-level policy networks' in which the structure of policy control is variable across different policy areas.

States are central to the process of integration, but there are a variety of other governmental and nongovernmental actors involved as well, with power relationships understood as existing downwards, upwards and sideways from the member states of the EU. MLG suggests that policy coordination does not just take place vertically among different levels of government in the EU – supranational, national, regional and local – but also horizontally across the member states. In 2014, the Committee of the Regions adopted a Charter for Multilevel Governance in Europe in an effort to encourage the use of MLG approaches by EU institutions and national and local governments.

Like so many 'new' ideas in the social sciences, it is not all that new, and is reflected, for example, in the suggestion by American political scientist Donald Puchala that the Community could be seen as 'a multileveled system arranged in political layers from the local to the supranational', with complex organizational linkages binding centre and peripheries, going upwards and downwards, and inwards and outwards (Puchala, 1975).

MLG has become popular as a way of understanding how policy is made in the EU, moving beyond the interactions between the EU institutions and the member states, and offering a more sophisticated approach to understanding integration than that offered by functionalist, neofunctionalist, intergovernmental or institutional approaches. It has also been applied increasingly to a broader understanding of governance in individual European countries such as Germany and the UK, as well as government systems in Latin America and Asia.

was mentioned in the Treaty of Rome only in connection with the need to develop principles for a common policy on vocational training. It would not be until the era of the SEA in the 1980s, when the issue of free movement moved to the top of the political agenda, that new attention was paid to the importance of educational mobility. Although today there is still no formal EU **education policy** as such, the EU has been active in helping even out the differences among its member states in educational standards, and in encouraging study across borders (see St. John and Murphy, 2019).

Community activities began in 1987 with the launch of Comett, a programme designed to encourage contacts and exchanges between universities and industry. This was accompanied by Erasmus, named for the sixteenth-century Dutch humanist and priest, and designed to encourage inter-university cooperation. It was followed in 1995 by Socrates, designed to encourage students in higher education to study in different countries, to promote cooperation among European universities, and to support the recognition of diplomas and courses across borders. This was succeeded in 2000 by Socrates II, which was succeeded in 2007 by the Lifelong Learning Programme.

Education policy Policy focused on encouraging cross-border mobility of students and staff, and educational cooperation among the member states.

The EU is also interested in education in other parts of the world: Tempus was launched in 1990 to provide support to higher education in eastern Europe (expanding to Central Asia, North Africa and the Middle East), while Erasmus

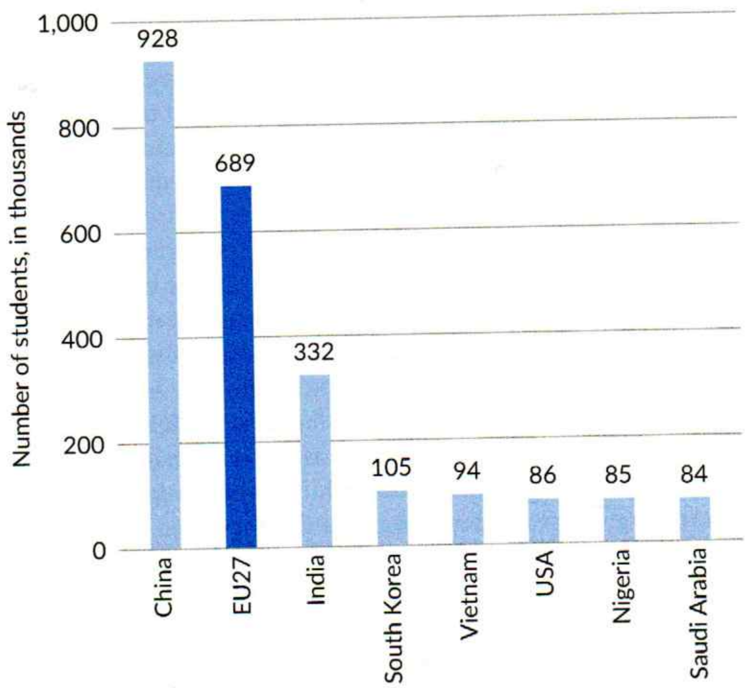
Mundus was launched in 2003 to help bring foreign students and academic staff to Europe and support partnerships between European and non-European universities. In 2014, all the existing EU programmes were brought together under the new Erasmus + programme, designed to streamline EU policy, to which nearly €7 billion was budgeted to be spent annually in 2021–27.

At the heart of EU education policy have been the Lisbon Strategy and the **Bologna Process**. The Lisbon Strategy gave a boost to the EU's educational activities, with efforts to recycle or update old initiatives and launch new ones, all with the object of helping promote competitiveness, and encouraged in part by the globalization of education (St. John and Murphy, 2019). As a result, students and academic staff are more mobile than ever before, encouraged by increased opportunities for study abroad and educational exchanges. The EU is the second most popular target for these students, according to UNESCO data: of the 5.3 million students studying abroad in 2017, about 13 per cent were studying in the EU, while less than 2 per cent were studying in the US (see Figure 22.5). In Europe, the most popular destinations were Germany, France and Italy.

Bologna Process An agreement among European states (not limited to the EU) under which requirements for higher education qualifications have been standardized, increasing their transferability.

The focus of the Bologna Process has been on the transferability of educational qualifications across borders. The Commission at first tried plodding through one profession at a time, generating, after years of debate, about 60 separate pieces of Community law dealing with doctors, nurses, dentists, vets, midwives, lawyers, architects and pharmacists (Hantrais, 2007). (It took 17 years of negotiations to reach agreement on standards for architects alone.) Mutual recognition subsequently took over as the guiding principle, and the only remaining distinction today is

Figure 22.5 *Most popular destinations for foreign students*



Source: *Based on data in UNESCO (2019a). Figures are for 2018.*

Illustration 22.2: Thanks to efforts by the European Commission to promote educational exchanges, European students now find it easier to study at universities outside their home countries, and to have their qualifications recognized across state borders.

Source: European Parliament

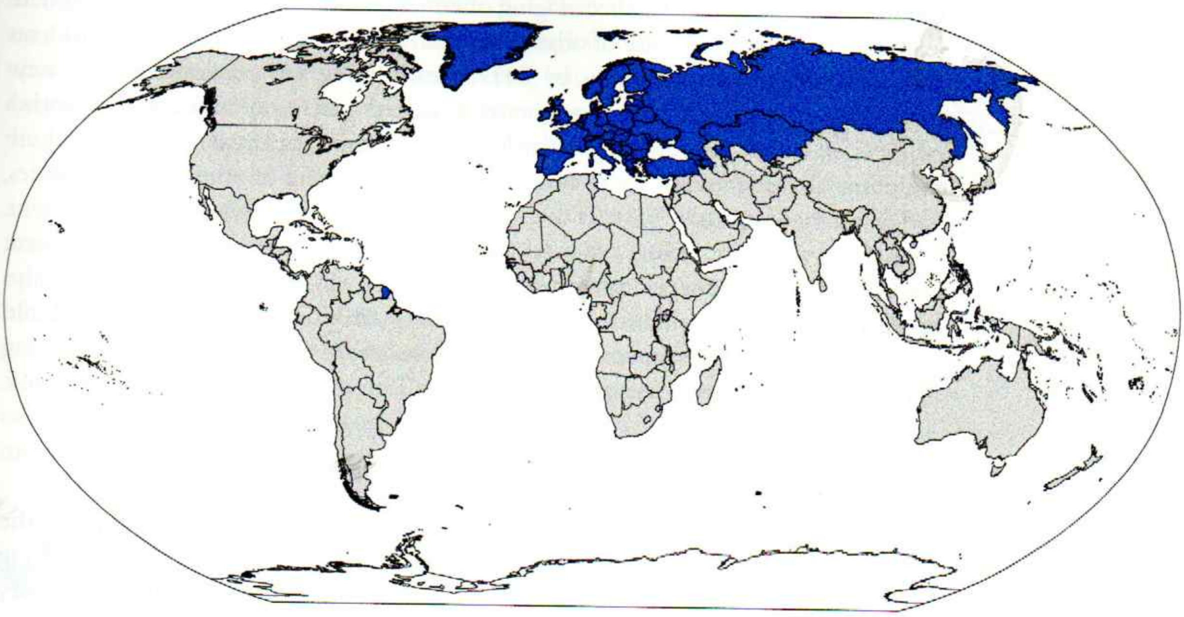
between the freedom to provide services and the freedom of establishment: any EU national who legally provides services in one state can do so temporarily or occasionally in another without having to apply for recognition of their qualifications, although they may be asked to provide proof of those qualifications, and show language ability. Where someone wants to live and work permanently in another state, they must show proof that their training is at a level equivalent to that required in the new state.

Another problem was created by different ideas in different states about the requirements for higher education: qualifications came in many different guises, with different names, and requiring varying amounts of time and different courses of study. For example, while the equivalent of a bachelor's degree could be earned in Britain and Ireland in three years, on the continent this could take as long as five to eight years. Not only did this place greater pressures on continental students, but there was little agreement among different states on how qualifications from one would be translated or understood in another.

With this dilemma in mind, the Lisbon Recognition Convention was drafted by the Council of Europe and signed in 1997, establishing that university degrees and related qualifications must be recognized by members unless substantial differences can be identified and proven. Two years later, a declaration was signed in Bologna by education ministers from 29 countries proposing a European Higher Education Area, finally launched in 2010, within which university education would be comparable and transferable, and students and academic staff could move freely in order to pursue a job or undertake more study, which would help make European higher education more attractive and internationally competitive (see Map 22.2).

Although the Bologna Process was born as a means of standardizing credits, it has expanded to make sweeping changes to curricula in Europe. And although it is more a pan-European agreement than an EU initiative, reaching now to 48 countries (including Russia, Turkey, Ukraine and the three Caucasus countries), it has become a core part of EU education policy. Its major effect has been agreement on three cycles of higher education qualifications, based on comparable numbers

Map 22.2 *The European Higher Education Area*



of credits under the European Credit Transfer and Accumulation System (ECTS). One year of study equates to 60 ECTS credits, or about 1,500–1,800 hours of study, and university degrees are organized according to the 1–2–3 cycle:

- The first cycle of 180–240 ECTS will usually lead to the award of a bachelor's degree, or equivalent, after three years.
- The second cycle of 90–120 ECTS will usually lead to the award of a master's degree, or equivalent, after two years.
- The third cycle, for which there is no specific ECTS range, will lead to the award of a doctoral degree, after three years.

The ECTS system, which was launched as a six-year pilot programme in 1992 under the EC's Erasmus programme, has since evolved from a credit transfer to a credit accumulation system. Although degrees can still retain their different names, most EU member states have switched to a system based on equivalents of the bachelor's degree: so, for example, Italy has converted its four- to six-year *laurea* into a three-year undergraduate *laurea triennale* and a postgraduate *laurea magistrale*, and Austria's *Magister* and *Diplom* have been replaced with a *Bakkalaureus*. The ECTS system has not only encouraged curricular changes in the EU member states, thereby helping build a European higher education area, but has also had an impact internationally: non-European students find it easier and more attractive to study in Europe, and the US has had to pay closer attention to European developments because of the large transatlantic traffic in students.

One of the effects of EU policy has been the rise of the **Erasmus generation** (see James, 2018). Erasmus (now part of Erasmus+) allowed students and academic staff to study and work in universities outside their home countries, encouraged cooperation between European institutions of higher education, and was reinforced by Erasmus Mundus with its interest in helping encourage the globalization of European education. Under Erasmus, about 250,000 European students per year

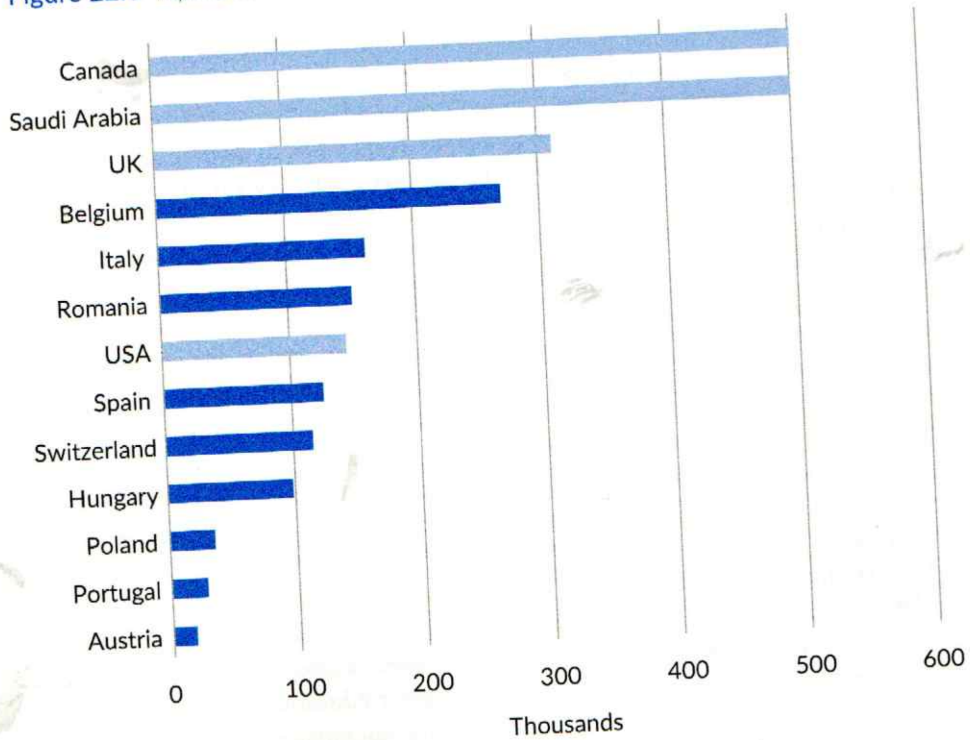
Erasmus generation
Students who have participated in the EU's Erasmus educational exchange programme since 1987, and are seen as leaders in the effort to build a sense of European identity.

are able to live and study in other European countries for periods of at least three months (see Figure 22.6), encouraging them to learn new languages but also to learn more about the culture of other European countries. Nearly 3 million students had taken advantage of Erasmus by 2017, spearheading the development of a new kind of European: mainly younger, better educated and more cosmopolitan, with a heightened sense of European identity. Members of the Erasmus generation travel, are multilingual, make friends across borders and marry citizens of other European states, and take a more inclusive view of themselves in their political and social environment.

Among the most telling practical and psychological barriers to free movement across borders is language: monolingualism not only discourages migration but also poses a hindrance to multinational businesses by making it more difficult to build exports, and stands as a potent reminder to Europeans of their differences, making it more difficult to understand the way other European societies think and work. The EU does not just have its two dozen official languages (see Chapter 3), but also many local languages, dozens of dialects, languages spoken by new immigrants from outside Europe, and languages spoken by non-EU European states.

Language training has improved, with almost all secondary school pupils in the EU now required to learn at least one foreign language, and more states requiring two languages, but the record in real language ability is patchy and skills vary substantially from one language to another and from one state to another. Across the EU, 59 per cent of students learn two or more foreign languages, the number ranging from a high of almost 100 per cent in Luxembourg, France, Finland and Romania to lows of 1 per cent in Greece, 6 per cent in Portugal and 14 per cent in Ireland (Eurostat, 2019d). A 2012 Eurobarometer poll (not since replicated, unfortunately) found that German was the most widely spoken mother tongue

Figure 22.6 *Top home countries of students studying abroad*



Source: *UNESCO (2019b). Data are for 2016.* (Dark blue bars indicate EU states)

(16 per cent of respondents), followed by English and Italian (13 per cent each), that just over half of Europeans claimed to be able to hold a conversation in at least one language other than their own, and that English was not only the most widely spoken language (38 per cent of respondents), but was also seen as the most useful language to be able to speak (two-thirds of respondents, far ahead of German and French at 16–17 per cent) (European Commission, 2012b).

Although there was a brief debate about what would happen to English as an official language of the EU in the event of Brexit (see Ginsburgh et al., 2017), hard realities ultimately dictated the decision: English is not only the most widely spoken language in the EU (it is effectively a second language in countries such as the Netherlands and the Scandinavian states), but is also the international language of diplomacy, commerce, entertainment and the internet. The decision to retain it as an official language of the EU was ultimately driven by simple practicality.

Discussion questions

1. How much can the EU realistically hope to achieve in terms of reducing economic inequalities among its member states?
2. Is cohesion better promoted collectively or should there be more emphasis on the use of national resources?
3. Does the focus of the different structural and investment funds make the best strategic sense?
4. Why are poverty rates still so high in many parts of the EU, and what role does integration have to play in addressing this problem?
5. What are the political, social and economic implications of the Erasmus generation?

Key terms

Bologna Process
Cohesion policy
Education policy
Erasmus generation
Regional policy
Social Charter
Social policy
Structural and investment funds

Concepts

Poverty
Social dumping

Further reading

- Anderson, Karen M. (2015) *Social Policy in the European Union* (Palgrave Macmillan). A textbook survey of the topic, tying EU social policy to developments in social security, employment, higher education, health policy and poverty.
- Bachtler, John, Ian Begg, David Charles, and Laura Polverari (2016) *EU Cohesion Policy in Practice: What Does It Achieve?* (Rowman & Littlefield); Baun, Michael, and Dan Marek (2014) *Cohesion Policy in the European Union* (Palgrave Macmillan). Two surveys of cohesion policy, looking at its history, content and the debate over its impact.
- St. John, Sarah K., and Mark Murphy (eds) (2019) *Education and Public Policy in the European Union: Crossing Boundaries* (Palgrave Macmillan). An edited collection of studies of the origins, evolution and consequence of EU education policy.