

learning to make money: 21st century EU education policy

Donald Gillies

Education was traditionally of little interest to the European Union (EU), with policy and governance solely the responsibility of individual member states. Since the Lisbon Strategy of 2000, however, EU policy and interest in education have grown considerably. Rooted in human capital theory, which sees education as an investment which later pays economic dividends for both the individual and the state, EU education policy has put its young people at the heart of its economic ambitions.

Introduction

Education was traditionally of little interest to the European Union (EU), with policy and governance solely the responsibility of individual member states. Since the Lisbon Strategy of 2000, however, EU policy and interest in education have grown considerably. Rooted in human capital theory, which sees education as an investment which later pays economic dividends for both the individual and the state, EU education policy has put its young people at the heart of its economic ambitions. Its Education and Training (ET) 2020 goals position education as a driver for the economy and so young people as the means by which desired economic growth will be achieved. Two recent developments, however, have challenged this simplistic economist model. The impact of sustained terrorist attacks across the EU in 2015 has stimulated greater interest in the social aims of education, so that EU education policy now stresses the creation of the necessary, stable social landscape without which the goal of economic growth would founder. The shock of Brexit in 2016 and the rise of populist nationalism across the EU have also triggered a renewed policy focus on education for European identity, collaboration, and community. EU policy, therefore, recognises that its economic hopes of national education systems cannot be achieved unless there is social stability and, unless its young people maintain belief in the EU itself, it will not exist at all, far less thrive. Just as education is instrumental for ultimate economic goals, so social stability and community values are seen not as intrinsic goods, but merely as the optimum basis from which economic growth can be stimulated.

Education as economic policy

As would befit an organisation originally known as the European Economic Community, it was a focus on trade and mutual commercial benefit that shaped the early policy direction of the member states. As noted, education rarely featured in any European policy discourse, a situation which remained so until the late 1990s. Until then, education policy rested at member state level so that the various national systems within EU borders developed in their own specific ways. Two key developments were to alter that situation. The first was the emergence of the concept of the

“knowledge economy”, an awareness of the economic potential in the new century of creativity and intellectual endeavour as opposed to the physical labour of the industrial age. Second was the emergence of significant economic competition from the Far East, the rise of the “Chinese Tiger”, to join the existing threats to European global economic ambitions from North America.

The result of these pressures was the Lisbon Strategy of 2000, the first time the EU had marshalled education, or schooling more properly, into its economic purposes. Just as Tony Blair had positioned “education, education, education” at the heart of New Labour’s economic policy, so the EU’s Lisbon Strategy explicitly linked education to its aims to dominate the new knowledge economy and see off its global rivals. The Lisbon Strategy, thus, set out a goal for the EU “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (European Parliament, 2000). There were formulated twin endeavours, therefore, for the EU in terms of education and training: firstly, that a *knowledge* economy created certain imperatives for constituent education systems in terms of the capacities and capabilities of its young people; and, related, the awareness that the rise of economies such as China and India in terms of manufacturing, especially in cheap goods for export, would mean that the *better jobs* required by the EU would demand a higher-qualified workforce.

The rise of Human Capital Theory

Human capital theory, which had lost appeal after the global turbulence following the oil crisis of the early 1970s, subsequent recessions, and the banking crises of the 1980s, now moved to centre stage with its seductively simple model of economic growth. Built on the late 1950s’ work on labour economics in the USA (Mincer, 1958), human capital theory as developed by Schultz (1960) and Becker (1975) argued that, as better qualified US college graduates earned more than their high school leaver compatriots, this indicated not just economic reward for the individual but, collectively, for the state. The more the state invested in education and qualifications for its young people, the greater the economic growth which would flow and thus fiscal success at national level. This specious model remains central to the economic policy discourse of the developed world, of the OECD, and of the EU, despite the obvious counter evidence of the global crash of 2008. The economic disaster which engulfed millions across the world was not the creation of the usual suspects—the poor, the shiftless, the migrant, the illiterate—but instead the direct result of the flawed and reckless actions of some of the world’s most able human capitalists—highly qualified, and richly rewarded individuals. The only growth in evidence here, however, was in debt, unemployment, poverty, and despair.

Faltering progress of ET 2020

EU education policy has been buffeted by various contextual factors, such as the banking crisis, but the focus on education for the economy has remained resolute. The setbacks of 2008 and 2009 only served to accelerate the activity around ET 2020, the EU’s policy ambitions for education and training. A significant drive was on early school-leaving, challenging states to do more to retain their population in formal education or training and so fuel better the knowledge economy. The EU’s response in its Council of the European Union (2009) was unequivocal: the document recommits the European “ambition to become the most competitive and dynamic knowledge-based economy in the world” (119/2). It then refers to “education and training” having a “crucial role to play in meeting the many socio-economic, demographic, environmental and technological challenges facing

Europe and its citizens. . .” (119/2). An “essential component” of the overarching economic strategy is “efficient investment in human capital through education and training systems” (119/2).

By 2012, the failure of the attempts to re-energise EU economic growth led to more intensive efforts to economise education. The Council of the European Union (2012) report has an air of urgency for the EU, in the context of “the worst financial and economic crisis in its history” (70/9). The economic focus is unalloyed: “education and training systems have to be modernised to reinforce their efficiency and quality and to equip young people with the skills and competences they need to succeed on the labour market. This will boost people’s confidence to be able to stand up to current and future challenges”.

One can see here an interesting discursive shift, symptomatic of the neoliberal values which underpin human capital theory and EU policy. Rather than address the systemic problems inherent in the capitalist universe which have repeatedly produced boom-bust economic patterns, the focus is on making individuals more “resilient” in the face of these ineluctable phenomena. Economic growth is not at risk because of a volatile and deregulated market but because individual workers lack the capacity to cope with its spontaneous eruptions.

Terrorist threat to economic goals

The hopes of economic recovery centred on ET 2020, founded on a simple, if not facile, human capital theory equation, did not last long. The buffeting, however, did not come from the wider economic context of the thrashings of US political change or rapacious Chinese expansionism. Instead, it was internal instability which threatened to jeopardise EU policy goals. First, in 2015, came a series of terrorist atrocities across the EU which constituted not simply a political and social threat but a degree of upheaval and unrest which put economic recovery at serious risk. The 211 terrorist events in EU states during 2015 killed 151 people and injured 360, serving to highlight an indigenous threat to the coherence and stability of the EU, illustrating as it did a significant strain of disaffection and murderous antagonism within many disparate European locales. This was reflected in a material policy shift later that year to stress the social rather than economic aims of EU education policy, focusing on democratic values, social inclusion, tolerance, and respect (European Union, 2015). It would be naïve to think that the EU had suddenly rediscovered the social and cultural purposes of education: rather, it was a recognition by policymakers that their pre-eminent economic objectives could not be reached in a climate of disorder and fear. Becker (2002, p. 6) had earlier shifted his stance in a similar way, recognising that there were other prosocial and moral attributes necessary for individuals, without which mere educational qualifications would not have any positive, causal economic impact. Thus, EU policymakers began to push this wider social agenda to promote a more harmonious and becalmed economic realm.

Brexit and populist threats

The second shock to the EU project was in some senses more fundamental in that the rupture of Brexit in 2016 created a real, existential risk to the whole European endeavour. Not only was there the danger that the EU may fail in its economic ambitions, there was now the prospect of the whole enterprise unravelling, especially when the UK fissure was mirrored across Europe in the bloviated bombast of populist, nationalist leaders on the right, and the re-energised anti-capitalist enemies of globalism, elitism, and corporate greed, on the left. For the first time in more than a generation, the EU’s very fabric became exposed as fragile. The European Commission’s policy response (2017),

therefore, was to focus on the future of the EU as an institution, stressing in its education policy discourse the importance of developing a European identity in the young and their commitment to democratic values as a means of maintaining the EU as a viable institution. While the principal aim of EU education policy remains focused on economic objectives, rooted in Human Capital Theory, these existential threats to the EU, either from terrorism or Article 50 state withdrawal, have re-focused this discourse to subjectify young people, not simply as the future drivers of economic growth, the wealth creators, but as the (last) hope for the existence and relevance of the EU.

Continuing policy obstinacy

This brief and limited history of EU policy in the 21st century has, like capitalism itself, demonstrated the remarkable resilience, agility, and stubbornness of the promotion of economic growth within a market economy as the sole aim of education systems, where the monomaniacal mission of money-making, regardless of the besetting economic ruin all around and the unrelenting failure of the enterprise, is the set and only course.

Amartya Sen (1999, 2011), the Nobel Prize Winner, has raised for Group of Seven (G7) economic gurus and their global camp followers, the, yet, unanswered question: If economic growth is a good, what is it good for? If it only serves to swell the already bloated offshore accounts of the world's elite, it does not seem rational to bend the whole of society to this end, and to subject education systems, and their learners, to this symbolic violence, with a twisting of schooling into a coldly mechanistic, Darwinist, economic instrumentalism.

References

- Becker, G. (1975). *Human capital: a theoretical and empirical analysis*. New York: Columbia University Press.
- Becker, G. (2000). *Human capital*. Paper presented at the University of Montevideo, Montevideo, Uruguay. Retrieved from <http://www.um.edu.uy/docs/revistafcee/2002/humancapitalBecker.pdf>
- Council of the European Union. (2009). *Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ('ET 2020') (2009/C 119/02)*. <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:119:0002:0010:en:PDF>
- Council of the European Union. (2012). *2012 Joint report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020) (2012/C 70/05)*. [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XG0308\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XG0308(01)&from=EN)
- European Commission. (2017). *Strengthening European identity through education and culture*. Strasbourg: European Commission.

European Parliament. (2000). *Lisbon European Council 23 and 24 March 2000. Presidency conclusions*. http://www.europarl.europa.eu/summits/lis1_en.htm

European Union (2015). *New priorities for European cooperation in education and training*. 2015 Joint Report of the Council and the Commission on the implementation of the strategic framework for European cooperation in education and training (ET 2020). (2015/C 417/04). Luxembourg: EuroLex.

Mincer, J. (1958). Investment in human capital and personal income distribution. *The Journal of Political Economy*, 66(4), 281–302.

Schultz, T. (1960). Capital formation by education. *The Journal of Political Economy*, 68(6), 571–583.

Sen, A. (1999). *Development as freedom*. Oxford: Oxford University Press.

Sen, A. (2011). “Growth and other Concerns.” *The Hindu*, February 14.

Recommended Citation

Gillies, D. (2019). Learning to make money: 21st century EU education policy. *On Education. Journal for Research and Debate*, 2(6). https://doi.org/10.17899/on_ed.2019.6.1

Download PDF version

Do you want to comment on this article? Please send your reply to editors@oneducation.net. Replies will be processed like invited contributions. This means they will be assessed according to standard criteria of quality, relevance, and civility. Please make sure to follow editorial policies and formatting [guidelines](#).

donald gillies

Professor Donald Gillies is Dean of the School of Education & Social Sciences at the University of the West of Scotland. From 2012-14 he was Professor of Education Policy at York St John University. His research interests include education policy, the politics of education, and critical discourse analysis. Recent work has focused on Arendtian and Foucauldian theory, including the book *Educational Leadership and Michel Foucault* (Routledge, 2013). He is compiler of *A Brief Critical Dictionary of Education*, a free online resource for students (<http://dictionaryofeducation.co.uk/>).

