



EREF-2010 Resolution

Competencies and Values for Sustainable, Knowledge-Based Competitiveness of European Regions

*In order to regain international competitiveness human capital in Europe has to bridge the increasing global gap in competencies, skills and entrepreneurship. It seems that we basically understand what should be done – though stronger prioritising could help. Numerous strategies have been adopted at all levels, but there is not enough motivation to implement them as swiftly and intensively as needed to achieve a stronger, knowledge-based economy. Future efforts at all levels of policy-making and implementation should take into account the **following conclusions and recommendations adopted at EREF-2010**:*

- 1. Much of European tertiary education is not striving for excellence, lacks competition and transparency, and is not fully adapted to the job market requirements of 21st century. Many providers of tertiary education, particularly in the public sector, find it difficult to accept the changed status – one of service providers, and most academics fail to perceive the **strong link between Bologna process and the Europe 2020 Strategy**. Curricula development and quality of university teaching should be assessed in terms of employability of graduates and therefore stronger dialogue with business and other social actors is in everybody's essential interest. Public funding should under any circumstances (even during time of crisis) not be reduced, and private funding should essentially increase. University autonomy should be respected, and that should be accompanied by responsibility and accountability. Knowledge society requires high quality expertise and relevant competencies, accompanied by ethical standards which deserve proper place in the curricula, and professors need to provide a good role model for their students. Their **authority** is not any more granted simply by their position, but must **be justified by their overall performance**. At the same rate students will be treated as partners in the educational process inasmuch as they also perform their duties in a responsible manner. Universities should provide pedagogical-didactical training for professors, and facilitate their mobility. National and regional authorities should contribute consistently to the success of these processes by paying special, **priority attention to the human capital development aspects in all of their strategies, policies and regulations**.*
- 2. Experience has shown that **FDI can make in the era of globalisation an important contribution to competitiveness and sustainable development** at local, regional and national levels, contingent on the right economic legal and financial conditions. FDI can contribute to better international and regional resource allocation, mobilisation of resources in receiving economies, stronger competitive markets, as well as to the development of human capital, employment creation and reduction of poverty.*

However, all these positive effects can be achieved only **if a sound, stable and predictable political, economic and legal environment** has been created, otherwise inward/outward FDI can produce even negative results, such as: crowding out of local businesses, export of jobs and unemployment, excessive import/export market dependency, and monopolistic tendencies at domestic market, as well as reduction of local R&D activities.

Even important fiscal and other incentives cannot substitute nor compensate for lack of healthy and consistent economic conditions – in absence of those, only speculative capital will come, and it could easily leave when available incentives have been exhausted. Also, incentives offered to FDI should not discriminate against domestic investors.

Governments should develop **consistent FDI strategies as part of the overall development strategy** of the region or country, and support a balanced attitude towards FDI. Outgoing investment also deserve proper attention of the authorities, as they have proven to be important or the capital exporting country.

3. **Communication with diasporas, particularly with highly skilled and business people, can help European countries and regions mobilise important scientific talent and capital.** Since centuries Europe has been losing brains and top business talents, and unless the net brain drain is going to be changed into balanced brain circulation we can hardly expect to achieve higher knowledge-based competitiveness.

In the times of knowledge economy, human resource policies must address all aspects of migration and communication with diasporas. The prospects of success are linked to the comprehensive treatment of RTD staff which is more “light footed” than other segments of human capital, and therefore need particular attention. Research has proven repeatedly that highly skilled and RTD staff - though they care about their incomes - equally strongly appreciate the conditions for creative work and personal initiative. Depending primarily on these conditions, migrants may consider their repatriation. The more proactive and consistent care and support these people will receive from their original home-country, the more likely they may decide to return. And when they do, they bring along all their experience, knowledge, contacts and knowledge networks. Countries which made **these policies an integral part of their development efforts** and maintain consistent regime of encouraging and streamlining immigration of highly skilled personnel **enjoy important benefits.**

Successful researchers and business people in diaspora are usually well connected among themselves at international and national/regional level. Countries of origin are interested to support also their networking on the national basis. They should support existing networks, however, without interfering into their operations (e.g. “GlobalScot” being supported by Scottish Enterprise).

4. In spite of all declarations women remain an underutilized part of human capital. Gender equality is not just a question of European civilizational values and cultural achievement, but a major societal, and indeed an economic issue. Europe can not expect to achieve knowledge-based competitiveness unless conditions are created which will allow **women to become a really equal partner to men at the labour market and at the corporate boardrooms** and will be allowed to provide their full contribution to wealth creation and management.

*An important indicator of the recognition of the importance women make to the decision making in business is their share in company boards. Empirical research has proven that **mixed teams are more productive and motivated**, and that with their specific qualities women **improve the quality of decisions, and ultimately upgrade business performance of companies concerned**. Norway – being the champion with 43% - has used a legally binding quota, other countries use other instruments, but most of European countries are lagging way behind (e.g. Southern European countries less than 5%).*

5. *The EREF Process will continue strengthening its efforts to contribute to the **preparation of the countries and regions of South Eastern Europe for EU membership**. By fulfilling the Copenhagen criteria these countries enhance their own development, and will contribute to a stronger, more competitive Europe.*
6. *At the closure of EREF-2010 it was decided that EREF-2011 will address the **Human Capital Development Potential, Including Gender Balance Issues** and will take place in Nova Gorica on 6 and 7 June, 2011.*
7. *EREF Network members, partners, and organizers are invited to start early the necessary preparations and involve all relevant institutions at regional, national, EU, and international level for a successful 7th Forum, and productive preparatory workshops, and other associated activities.*
8. *Specific recommendations and initiatives adopted by EREF-2010 are included in the following annexes:*
 - I. ***Recommendations of EREF Workshops** (page 4)*
 - II. ***Initiative to create a network of regional development agencies and similar organisations from South Eastern Europe** (page 23)*
 - III. ***Initiative of Rectors Conferences of Alps-Adria Region and Danube Rectors Conference to create a joint Network** (page 25)*

Nova Gorica, 8 June 2010

PARTNERS



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ANNEX I

EREF-2010 Recommendations

Competencies and Values for Sustainable, Knowledge-based Competitiveness

- A New Agenda for European Regions -

The Forum brought together over 120 representatives from 21 countries covering economic, research, innovation and education spheres, as well as local and regional actors from EU regions and countries, including regions from South-Eastern Europe.

Prior to the Forum, three EREF Workshops were held across Europe – in Graz, Istanbul and Gorizia. Participants discussed draft-Recommendations from the following domains:

- *Role of FDI in Strengthening Regional Knowledge-based Competitiveness* – co-organised by Internationalisierung Center Steiermark and Styria Municipality
- *Circulation of Scientific Talent and Communication with Diasporas* – co-organised by TuR&Bo & TUBITAK
- *Reaching Global Competitiveness through Reforms of Tertiary Education Systems* – co-organised by Municipality of Gorizia and Autonomous Region of Friuli Venezia Giulia

As Secretariat of EREF, SBRA has compiled for the three workshops the following documents:

- Select Bibliographies, Analytical Compendia and draft-Recommendations (48 recommendations; 9 concerning EU institutions, 42 national/regional authorities, and 26 individuals/stakeholders)

Additionally 4 workshops were organised in the framework of EREF Network for SE Europe; namely in Belgrade, Serbia, Tešanj – Bosnia Herzegovina, and in Čakovec, Croatia.

Preparations for the next event, EREF-2011 have already begun, expected to cover barriers in human capital development, including gender balance issues. The Forum will be held in Nova Gorica on 6-7 June 2011.

EREF-2010 Preparatory Workshop Recommendations

I – A	Role of FDI in Strengthening Regional Knowledge-based Competitiveness	5
I – B	Circulation of Scientific Talent and Communication with Diasporas	10
I – C	Reaching Global Competitiveness through Reforms of Tertiary Education Systems	16

I – A Role of FDI in Strengthening Regional Knowledge-based Competitiveness, Graz, 23 April 2010

Text of Recommendation		EU	Country / Region	Stakeholders
1	<p>Overall experience shows that FDI can make an important contribution to competitiveness and sustainable development at local, regional and national levels, contingent on the right economic legal and financial conditions. General trends indicate that importance of FDI will continue increasing which implies that companies and authorities should pay enhanced and systematic attention to create favourable conditions for incoming and outgoing FDI.</p> <p>FDI can contribute to better international and regional resource allocation, mobilisation of resources in receiving economies, stronger competitive markets, as well as to the development of human capital, employment creation and reduction of poverty.</p> <p>However, all these positive effects can be achieved only if proper conditions are created and maintained, otherwise inward/outward FDI can produce even negative results, such as: crowding out of local businesses, export of jobs and unemployment, excessive import/export market dependency, and monopolistic tendencies at domestic market, as well as reduction of local R&D activities.</p>	X	X	

<p>2</p>	<p>The delicate balance between positive and negative effects of FDI is particularly relevant to economies in transition if or when motivation of government to sell companies to foreign investors is primarily to obtain liquid capital for filling the budgetary gaps. Equally, this balance can move strongly into negative territory if new private owners of cheaply acquired companies negotiate with foreign investors in less responsible fashion and with limited knowledge and experience in international investment.</p> <p>Authorities in transition economies should therefore develop appropriate FDI strategy and policies, as integral part of the overall regional development strategy in order to secure their genuine national/regional interests. They should protect the existing ‘family silver’, particularly by retaining competitive manufacturing establishments and lucrative service providers (e.g. Telecom companies), as well as by not alienating or wasting national/regional RTD potential and engineering skills & experience.</p> <p>This cannot be achieved by discouraging FDI but rather by creating sound economic fundamentals, enhancing competition on the local market, and full respect for rule of law. Besides improving general infrastructure and business climate for the development of local entrepreneurship, R&D and knowledge creation, need to be preserved.</p>		<p>X</p>	<p>X</p>
<p>3</p>	<p>The recent financial and economic crisis had a considerable negative impact on international FDI flows (\$2,092 billion in 2007 vs. \$975 billion in 2009). For the first time ever, developing countries, particularly emerging economies, attracted more FDI than those in the developed world (\$441 billion vs. \$534 billion in 2009). Despite some protectionist tendencies and backlashes against FDI, it remains an important factor in the regions’/countries’ development effort, even as part of their “exit strategies”. Like globalization, FDI could be more part of the solution, rather than the problem in itself, having proven to be more resilient to the crisis than other forms of international business.</p> <p>Regions/countries should seize the opportunity and use the current crisis as a catalyst to rethink their economic strategies by making FDI more instrumental for their sustainable development.</p>		<p>X</p>	
<p>4</p>	<p>Various studies clearly point out the valuable spillover effects which FDI brings to the region/country, regardless of their type, but depending on the local absorptive capacity. Generally, FDI increases the output and competitiveness of the region, even the jobs that may be initially lost in the short term, are often compensated later with an increased demand for new, skilled and better paid jobs.</p> <p>Geographically disadvantaged regions should put additional efforts into creating the necessary general, and political, economic & legal environments and policies to attract and retain FDI. In order to reap the benefits of FDI, regions are advised to adopt a sustainable strategy, in the framework of and consistent with an integral, polycentric, national strategy, but offering additional support to potential foreign investors.</p>		<p>X</p>	

<p>5</p>	<p>To optimally benefit from FDI, regions should create appropriate incentive programmes on top of the existing favourable conditions for business investment (sound economic fundamentals, functioning infrastructure, well trained labour force, necessary resources, market access). The necessary precondition for the effectiveness of such incentives is to overcome some attitudinal barriers against FDI (protectionism on the grounds of national interest argument, xenophobia, etc.) not so uncommon in many countries, particularly less developed ones.</p> <p>The incentives programme should aim at foreign investors but should not discriminate against local entrepreneurs. Thus by targeting both foreign and local investors, domestic actors will be able to participate in the regional development on equal terms with non-resident investors. This should lead the way to a more positive and attractive entrepreneurial climate, spur the development of local clusters, etc.</p>	<p>X</p>	<p>X</p>	
<p>6</p>	<p>Regional incentives programmes and/or regional strategies will often not be sufficient. Ultimately, it is up to the national and regional governments to work together in adopting coherent national/regional development strategies. Most importantly, a decentralized development strategy will provide a much better attraction to FDI than centralized strategies (major FDI are most often found in central/capital and not in peripheral regions).</p>		<p>X</p>	
<p>7</p>	<p>Regional strategies promoting FDI – although being part of regional growth strategies/policies – are of limited scope and are only a supplement to national incentive schemes, which should give preferential treatment and some priority to less developed and remote regions.</p>		<p>X</p>	
<p>8</p>	<p>Effective FDI incentives should fulfil the following criteria:</p> <ul style="list-style-type: none"> ▪ Affordability (<i>forgone income should not severely undermine government revenue streams</i>); ▪ Focused (<i>targets for incentives should be based on research to confirm that they will benefit the country in ways that would not have been possible if there were no incentives, thereby reducing revenue costs</i>), and ▪ Transparency & Simplicity (<i>incentive administration should permit easy accessibility and clarity in eligibility</i>). <p>FDI incentives should be reviewed and evaluated periodically, and adjusted as necessary. It is recommended that incentives be designed and used with restraint – they should basically address market failures and – to the extent possible – be linked to the FDI results, in terms of generated growth and development. It has also been proven that ‘tax holidays’ are not as instrumental in attracting FDI as originally thought.</p>		<p>X</p>	

9	<p>In line with the above recommendations, a three edge FDI promotion policy has proved to be the most productive:</p> <ul style="list-style-type: none"> ▪ Focusing on improving general investment climate, economic fundamentals, infrastructure, coherent (regional) development strategy; ▪ Policy targeting specific value added activities and tasks oriented incentives aimed at specific development goals of a country/region; ▪ Targeting specific groups of investors (existing, investment brokers, strategic partners, diasporas, neighbouring countries and promising new actors). 		X	
10	<p>Complementary to the financial/fiscal incentives, soft skills such as negotiating and communication skills may prove to be very valuable asset to compliment the traditional instruments of attracting FDI. Regions and especially regional investment agencies should therefore recruit staff on the basis of their soft skills, private sector experience and language proficiency.</p>		X	X
11	<p>Instead of general and uniform, more selective discriminatory measures on returnable incentives and fewer grants are recommended; such as those supporting specific functions (application of modern technology, export and R&D promotion, employment generation and ecological projects), rather than general FDI support.</p>		X	
12	<p>Giving too much weight on incentives may turn to be counter productive, particularly as sustainability of FDI is a major motive of host country/region. Regions should therefore rely more on other attraction factors in order to enhance sustainable regional development.</p> <p>FDI - which was attracted predominantly by incentives – will often not stay much longer than the period of incentives (subsidisation), specially if they belong to the footloose category of FDI. Incentives should only be used as icing on the cake, not to substitute sound fundamentals as necessary precondition for sustainable FDI.</p>		X	
13	<p>There is no one-fit-all strategy for attracting FDI into regions. Promotion programmes are highly idiosyncratic and should be tailored to the specific situation (income per capita, infrastructure, competitive advantages, technological development, knowledge of foreign languages, geographical position, etc) and needs of the region, as well as those of the preferred foreign investors.</p>		X	
14	<p>In terms of sectors, FDI in services merit higher priority in the future than those in manufacturing or extractive industries. Besides finance, tourism, medical services, education and training, off-shoring in general ought to receive greater attention.</p> <p>Also, regions should focus on tasks which can be best performed in their specific context (contemporary globalization is increasingly globalization of tasks).</p>		X	X

15	<p>Once foreign investors have established themselves in the region and have achieved positive results, they should be referred to in promotional activities and campaigns undertaken by official national or regional institutions.</p> <p>FDI should be encouraged to expand its activities, its presence in the region, and effectively climb up the ‘value chain’, which is also in the interest of the host economy. Therefore, besides attracting new investors after investment service activities should be enhanced.</p>		X	
16	<p>Attention should also be paid to the new types of investors – global in nature – such as the Sovereign Wealth Funds. In part because of different motivations and decision criteria, a different approach is needed to these investors; greater emphasis should be put on economic diplomacy, intergovernmental actions sensitive to cross cultural differences, as well as other noneconomic factors.</p> <p>Even though these factors may well fall under the domain of the country rather than the region, it is up to the regions to address these specific issues when designing its policies and human capital development strategies.</p>		X	

**I – B Circulation of Scientific Talent and Communication with Diasporas,
Istanbul, 11 May 2010**

	Text of Recommendation	EU	Country / Region	Stakeholders
1	<p>Mobility of scientific talent and circulation of researchers are not a new phenomena while in the post industrial, information society they have greatly increased and have become a subject of government policies trying to enhance the local human capital base with “imported brains”.</p> <p>Countries which made these policies an integral part of their development efforts and maintain consistent regime of encouraging and streamlining immigration of highly skilled personnel enjoy important benefits. This is not limited to classical immigration countries (US, Canada, Australia) but successfully applied also by several other advanced countries, such as Switzerland, Sweden, the Netherlands, Luxembourg and others.</p> <p>All governments and EU should pay more attention to the opportunities of highly skilled and researcher mobility and develop appropriate policy measures to serve their specific needs and prevent excessive brain drain.</p>	X	X	
2	<p>Many European countries who are traditionally suffering loss of highly skilled personnel (this represents 20% of European emigration) and researchers have tried but failed to prevent or reduce this loss and in many cases even didn’t attempt to do so assuming that they cannot reverse the trend. The loss of human capital has been particularly heavy for countries in transition. Though the reasons for emigration are rather complex (e.g. European researchers earn on average 50% less than their counterparts in the US, but this is not the most important motive for migration), most governments failed to recognize the scope of the problem, having accepted that they cannot change the conditions which cause emigration.</p> <p>Experience shows that there are many instruments which can influence highly skilled and researchers to stay in their country of residence: facilitating career advancement, fiscal advantages, support for creating spin-off companies, development of centres of excellences, clusters, competence centres, and offering adequate repatriation packages, including social security issues, etc.</p>		X	X

<p>3</p>	<p>Optimal migration policy does not attempt to limit outflow of highly skilled and researchers (which is virtually impossible), or stigmatizing them, but aims at influencing migration flows with the target to achieve balanced circulation and return of respective people who come back with additional knowledge, valuable experiences and important personal contacts.</p> <p>Moreover, this will be achieved only if appropriate conditions (housing, education facilities, work environment, etc) are created for people interested to return to their country of origin.</p> <p>Following the logic of business models, governments are advised to decide about their diaspora policies and expenses in comparison to expected benefits for the country. So far it seems that only the major immigration countries are doing this, but it would be equally interesting for countries of emigration.</p>		<p>X</p>	<p>X</p>
<p>4</p>	<p>In order to facilitate mutually beneficial communication, authorities on both sides of migration should take a more pragmatic – nonpolitical attitude towards this issue, on the basis of which they will be able to see the full potential of benefits from cooperation with diasporas based on their genuine interest to act as a bridge between their old home and new country of residence.</p> <p>It is important that authorities of emigration countries – to be properly serviced by special agencies and dedicated programmes – should understand that diasporas are entitled to contemplate any type of communication and cooperation with their old country in the context of their own, legitimate interests. Their “patriotic sentiments” can be only an additional motivation and not a substitute for expecting normal benefits and rewards for their contribution in solving problems of their old home country. Migrant associations have to point out this very clearly to the respective government representatives.</p>		<p>X</p>	<p>X</p>
<p>5</p>	<p>Highly skilled and scientific members of diasporas are particularly important in knowledge transfer and can play an important role in international cross fertilization of knowledge and technology. Given the fact that distinguished experts and scientists are increasingly “light-footed” and are offered specially attractive conditions in countries of proactive migration policies, authorities in emigration countries should make extraordinary efforts to motivate them for fruitful cooperation and communication with their countries of origin.</p> <p>Though governments should have their own institutions dealing with migrant policies, and resolving their practical problems, other bodies are needed to communicate with migrants, and they also deserve some public funding.</p>		<p>X</p>	

<p>6</p>	<p>Researcher mobility will obviously continue to increase, but only a part of it grows into migration proper (long-term change of residence). Authorities and research establishments in countries facing brain drain should make systemic efforts that migration remains a limited part of mobility of the researchers. This will be achieved if their expertise and particularly excellence are properly recognized in the home environment. These efforts should also include a contribution to generate appropriate working conditions (beyond salary), such as: possibilities of marketing innovations, freedom to maintain contacts with international peers, support for participation in conferences and seminars, and other conditions comparable to countries of immigration.</p> <p>Distinguished professors living and working abroad could still contribute to quality training in their country of origin through “migrant faculties” and thereby complement local faculty members. Exchange of academics in this context should receive dedicated support also through European mobility programmes.</p>		<p>X</p>	<p>X</p>
<p>7</p>	<p>Thanks to the internet, knowledge networks have become a normal instrument of cooperation and communication at regional, national and international level. They provide benefits to their members almost irrespective of their residence. The available information communication technologies have made these networks a productive and efficient link among highly skilled professionals, researchers and scientists from all corners of the world.</p> <p>Highly skilled migrants from less developed countries easily integrate into these networks, and often create special (ethnically defined) networks at the level of respective immigrant community. These networks can offer valuable services to their country of origin and therefore deserve the support of authorities, however this support should not limit full autonomy and freedom of action of these networks.</p> <p>It is important to learn from relevant experiences of some of the more successful networks, such as:</p> <ul style="list-style-type: none"> ▪ GlobalScot - a programme involving about 500 high-placed Scots all over the world (a part of Scottish Enterprise – Scottish Economic Development Agency); ▪ Transfer of Knowledge Through Expatriate Nationals - TOKTEN, Lebanon (global network supported by UNDP ▪ ChileGlobal <p>On the other hand, several networks, such as Red Caldas (Network of Colombian Researchers Abroad, established already in 1991) have at some point achieved important results, but specially if excessively centralized, when public funding was reduced, experienced serious weaknesses and demonstrated their fragility. In order to secure autonomous functioning and stability, these networks should avoid being excessively centralized and heavily dependant on public funding.</p>		<p>X</p>	<p>X</p>

<p>8</p>	<p>Meyer and Brown distinguish the following types of networks:</p> <ul style="list-style-type: none"> ▪ student/scholarly networks; ▪ local associations of skilled expatriates; ▪ expert pool assistance; ▪ intellectual/scientific diaspora networks; ▪ other talent networks. <p>Each type of network is suitable to perform only certain functions which should be assessed in its specific context, and should enjoy properly adjusted type(s) of support by authorities - allowing it to perform optimally.</p> <p>Leadership of these networks has a particularly challenging task in attracting and mobilizing members, as well as in managing the network in an open and inclusive manner. Women can often fulfill this role better than men.</p> <p>Government support, especially funding, is essential to these networks success, however this support should not be accompanied by tendencies to patronize them and interfere in their daily business.</p>		<p>X</p>	<p>X</p>
<p>9</p>	<p>Countries of emigration share an interest in migrant networks' success and should therefore provide to them stable and condition-free support which can take one of the following forms:</p> <ul style="list-style-type: none"> ▪ financial support of general or project specific nature; ▪ facilitation of communication between migrant networks and its members with respective national institutions; ▪ support to migrant network information systems, and linking them to national information systems; ▪ proactive supply of information concerning developments in and cooperation possibilities with country of origin; ▪ training of diaspora activists involved in management of migrant networks. <p>Governments should establish a framework that supports a portfolio of diaspora initiatives – following the logic of venture capital – allowing some to succeed and others to learn from their failures.</p>		<p>X</p>	
<p>10</p>	<p>Migrant networks can perform the following functions:</p> <ul style="list-style-type: none"> ▪ identify areas of potential scientific cooperation through collaborative research projects between research groups in the country of origin and research groups working abroad; ▪ supporting graduate training abroad and facilitating students' return; ▪ supporting visiting fellows and exchanges of researchers; ▪ engaging in information and dissemination activities; ▪ communication with specialised knowledge networks. <p>Network leadership should design programme of activities realistically and in accordance with resources available. Unless proper conditions exist for a very ambitious approach, a policy of gradual network development is recommended.</p>			<p>X</p>

<p>11</p>	<p>Both countries of emigration and immigration can provide important support to productive communication with diasporas.</p> <p>Countries of immigration should view activities of immigrants and their organizations as a possible vehicle of bilateral collaboration and a bridge between business and research communities of two respective countries.</p> <p>Countries of emigration should take the same attitude and provide support and encourage communication with their diasporas through following types of activities:</p> <ul style="list-style-type: none"> ▪ Organizing special events in the country and facilitating contacts with relevant institutions and individuals; ▪ Maintaining interest of migrants for relevant developments and achievements in their country of origin, as well as for its language and culture (particularly 2nd and later generations); ▪ Stimulating contacts between migrants and representatives of country of origin, specially through diplomatic, consular, commercial and S&T representations. 		<p>X</p>	
<p>12</p>	<p>Expatriate businessmen can be important investors – bringing to their country of origin funds, innovative technologies and introductions to new markets, however this is not to be expected simply as their “patriotic duty”. Rather they can be involved in relevant project partnerships.</p> <p>Their profit motive should not be treated discriminately vis-à-vis other foreign investors (this should ironically make them second rate citizens). Authorities concerned should rather show appreciation for their former compatriots being interested in developing business with their country of origin.</p> <p>Expatriate consultants (primarily first generation) offer added value and should therefore be engaged on projects in their countries of origin. Politics, particularly party-politics, should not interfere with diaspora investment.</p>		<p>X</p>	
<p>13</p>	<p>Though it is time consuming and can never be complete and updated, emigrant countries should develop and maintain databases with all updated contact data of significant migrant organizations and community leaders in order to maintain good contacts and develop activities of support to these organizations.</p> <p>Emigration countries should create comprehensive and reliable information systems about the conditions for reintegration (online and printed diaspora handbook).</p>		<p>X</p>	
<p>14</p>	<p>Mass media in countries of emigration, as well as in those of immigration should report more systematically and objectively on achievements of distinguished migrants, their networks and organizations. This should improve public image of migrants and create better conditions for their engagement in collaboration between their countries of origin and new countries of residence.</p>		<p>X</p>	<p>X</p>

15	Following its strategic objective to enhance European knowledge-based competitiveness, the European Union should strive to harmonize Member States' support measures directed towards expatriate knowledge networks and support their effective performance.	X		
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I – C Reaching Global Competitiveness through Reforms of Tertiary Education Systems, Gorizia, 27 May 2010

	Text of Recommendation	EU	Country / Region	Stakeholders
1	<p>Bologna Process and EU 2020 - two sides of the same coin</p> <p>There is a strong link between Bologna process and the Lisbon agenda (now Europe 2020 Strategy). Europe will strengthen its knowledge-based global competitiveness only by successfully implementing the Bologna process, which in turn requires further adjustments of tertiary education systems capable of producing human capital required for the jobs of tomorrow.</p> <p>University leaders need to make sure that academic staff will fully understand and appreciate this critically important link, and will actively contribute to the implementation of both strategies. National and regional authorities should contribute consistently to the success of this process by paying special attention to the human capital development aspects in all of their policies and regulations.</p>		X	
2	<p>True purpose and objectives of Bologna should finally be fully understood</p> <p>One of the impediments in implementing the Bologna reforms is the resistance partly caused by misunderstanding or misinterpretation of Bologna process (the main claims being that academic quality is being sacrificed, pointing at some initial mistakes and bad experiences, and arguing about insufficient funding). The true purpose and objectives of Bologna are not yet fully understood in some academic circles, clinging to traditionalist views and outdated teaching methods, and refusing to accept the new systems which require higher and different engagement by professors, and a qualitatively different involvement of students.</p> <p>The best way to address these problems is for university leaders to approach the issues with vigour, and in open dialogue with future employers and students. The authorities have to actively and carefully monitor the progress achieved, detect delays, deviations and imperfections, and help to resolve problems encountered. It is also important to involve the general public by informing it on the benefits of the process and popularise best practice cases.</p>	X	X	X

<p>3</p>	<p>Tertiary education should be made a much higher policy and funding priority of regional and national governments, despite – and even in reaction to – the present economic crisis</p> <p>Post industrial society is based on knowledge economy which brings massive changes in terms of required skills and competencies to be developed by the system of education and training. Education is no longer a privilege of the few, but a basic right, and a duty at the same time. It is a precondition for employment and survival, and finally a legal obligation. Indeed, quality of human capital is the decisive factor for a prosperous, democratic society and its competitiveness at the global market.</p> <p>Tertiary education is critical for improving human capital in modern society and the Bologna Process is the right response to the challenges Europe is facing. In this decade about 40% of all new jobs in Europe will require tertiary education. It seems that most governments are slow in fully appreciating the implications of these historical changes and fail to react accordingly.</p> <p>Irrespective of declared policies and adopted documents most governments fail to secure the necessary public funding, which reflect their actual treatment of education. Furthermore, due to the present global crisis, public funding to tertiary education is even decreasing. The importance of understanding this by the public and proper prioritising by the authorities is demonstrated by Nordic countries (they spend on education 20 to 40 percent higher share of GDP than EU average). A shift in mindsets is needed here: funding education is not just budgetary spending, but actually a most important, strategic investment and should be treated as such, thus reversing the present negative trend and increasing the GDP percentage devoted to higher education.</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>4</p>	<p>Upgrading quality levels of tertiary education - the first priority</p> <p>Tertiary education institutions in Europe, especially public ones, find it difficult to accept their position as competitive service providers (institutions, as well as individuals) even at regional and national knowledge market. Such attitude is incompatible with the increasing reality of global competition for top brains, a challenge affecting Europe very painfully.</p> <p>This has broad negative implications for their programming, curricula development, management, personnel, and financial planning. As a consequence these institutions tend to develop too many programmes and disciplines, fail to specialise and collaborate among themselves with complementary resources and achievements. This leads to redundancies and suboptimal capacity, insufficient emphasis on research, and finally, underutilisation or even waste of already scarce resources.</p> <p>Therefore there is an endemic lack of excellence in European universities, leading to brain drain and making them internationally far less attractive than in the past.</p> <p>With the support of authorities and in closer collaboration with interested stakeholders, universities should make bigger efforts to overcome this state of affairs by addressing the issues more effectively in order to achieve higher levels of excellence and better international standing.</p>			<p>X</p>

<p>5</p>	<p>Alignment between NQS and EQF</p> <p>Alignment between National Qualifications Systems and of Assessment/Quality Assurance Systems, linked to the European instruments such as European Qualification Framework (EQF), should be ensured on priority basis. It is necessary to create, adapt and develop new assessment methods and tools to capture and reflect the complexity of hard and soft skills and competences of students.</p> <p>In order to ensure the involvement of all actors, employers and social partners, an outcome-based qualifications and a common language between education/training and the world of work, should be developed. The use of learning outcomes in planning and delivering educational and training programmes at all levels, including higher education institutions should be encouraged and facilitated.</p>	<p>X</p>	<p>X</p>	
<p>6</p>	<p>Building EHEA through closer university collaboration</p> <p>European, national and regional authorities should undertake all necessary measures to harmonise to a higher degree tertiary education activities throughout Europe, and actively encourage all forms and instruments of collaboration among institutions of higher education.</p> <p>Further and success of European integration does not only depend on advancing the single market and its regulatory harmonisation. It is equally important to accelerate the development of European Higher Education Area which will facilitate mobility of students and professors, contribute to higher quality and stronger international standing of European universities, and strengthen European knowledge-based competitiveness through better human capital.</p>		<p>X</p>	<p>X</p>
<p>7</p>	<p>Closer collaboration among business, academia and regional/local authorities</p> <p>Closer interaction between tertiary education institutions and regional authorities can contribute to Bologna process through stronger orientation of the institutions on domains and technology areas particularly relevant to the region and thereby creating a strong basis for productive collaboration (curricula development, funding, research priorities, policy inputs, etc) without compromising the autonomy of educational institutions.</p> <p>Companies, universities and regional/local authorities should strengthen their relations and interact effectively, according to the triple helix model, with medium/long term perspectives.</p> <p>Closer collaboration among business and academia is sometimes easier to establish at the regional and local levels, and both sides should intensify their efforts to enhance this mutually beneficial relationship, often involving also regional/local authorities.</p>		<p>X</p>	<p>X</p>

<p>8</p>	<p>Private funding of tertiary education should be essentially enhanced</p> <p>In Europe private funding of education currently represent only 0.7 percent of GDP, while in the United States this share stands at 2.4 percent. Inadequacy of funding levels is most clearly demonstrated by the data of education funding per full-time pupil: EU-27 with €5,650 PPS vis-à-vis US with €10,661.</p> <p>Stronger engagement of the private sector can be encouraged and generated by effective fiscal and tax incentives offered by the government, as well as adequate public awareness activities.</p> <p>Policy and opinion makers should contribute to the appreciation of investment into education being equally, if not even more important, than conventional investment into bricks, machinery and installations.</p> <p>Employers should be encouraged to co-invest and participate in the activities of education and training institutions in professional or governance and advisory board roles.</p>		<p>X</p>	<p>X</p>
<p>9</p>	<p>Due attention to values and norms of socially acceptable behaviour</p> <p>The present economic and financial crisis has revealed the responsibility of business management training programmes for education of generations which ignored basic values of sustainability and corporate social responsibility – which has led to waste of hundreds of billions of Euros and terrible social costs, also due to the imperfections of regulatory framework.</p> <p>It is now increasingly clear that due attention has to be paid to values and norms of socially acceptable behaviour also at the tertiary education level. Knowledge society cannot successfully operate without socially responsible ethical codes accepted and respected by all members of the society. As earlier in the education process, university professors remain an important role model for the students, and can contribute to their moral profile by emphasizing in their teaching the relevant ethical issues, and acting themselves in accordance with these principles.</p>			<p>X</p>
<p>10</p>	<p>Employability of graduates - primary concern of curricula development</p> <p>One of the key problems of European education remains slow pace of adjustment of curricula to rapid changes in the economy and society at large. Too often curricula have little relevance to practical life and requirements of present labour market.</p> <p>Potential employers are therefore often reluctant to hire fresh graduates since they are aware that they will have to wait considerable periods of time before their new employees will be able to perform independently without the support of senior advisors and mentors.</p>			<p>X</p>

<p>11</p>	<p>European competence framework for teachers to be developed</p> <p>Besides adjustment of funding levels, issues of efficiency in educational institutions should also be seriously addressed. This relates to full and proper use of teaching staff, improved methods of pedagogical work, didactical skills and techniques, degrees of practical orientation of curricula, etc.</p> <p>The need for more practice-oriented teacher education programmes should be recognised and enhanced. A European competence framework for teachers should be developed to monitor its implementation and strengthen the exchange of good practice on teachers' professional development. Teachers and institutional leaders should be encouraged to deepen linkages with industry and services, and to apply their experiences in their teaching, as in vocational education and training.</p>		<p>X</p>	<p>X</p>
<p>12</p>	<p>Public Employment Services Profiling Systems</p> <p>Education opportunities and offers, including prices should be publicized on the web, in a user-friendly and comparable format, enabling interested individuals to make informed choices. The Public Employment Services profiling systems should be further developed and made accessible on the internet, including skill-based matching tools such as EU's 'Match and Map'.</p> <p>Further development of employer collaboration networks to share information and good practices in skills development and skill use should be encouraged.</p>			<p>X</p>
<p>13</p>	<p>Excellence, openness of universities, and higher mobility</p> <p>A typical weakness of European universities is lack of general openness which works against quality and excellence. Efforts to overcome this bottleneck and uncompetitive state of mind cannot be successful only within tertiary education institutions.</p> <p>Authorities and other institutions need to encourage and facilitate more mobility of students and professors through funding and other instruments. EU programmes and tools (such as: Europass, Marie Curie, Leonardo da Vinci, Erasmus) certainly contribute in overcoming these setbacks and they should expand further. There are still too many remaining obstacles to mobility (for example lack of interconnection between universities and unsatisfactory mutual recognition of titles and curricula). Without enhanced mobility the process of developing the European Higher Education Area is going to take too much time.</p>		<p>X</p>	<p>X</p>

<p>14</p>	<p>Structured dialogue to adjust curricula to the needs of society and business</p> <p>It is of essential importance to strengthen structured dialogue between education providers and employers associations, economic chambers, and other business representatives in order to constantly adjust curricula to the topical competencies and skills needed in the respective sectors. Education providers should be attentive observers and interpreters of society prospective evolution and needs and bring them back to university.</p> <p>Support should be given to further development of employer collaboration networks to share information and good practices in skills development and skill use.</p> <p>The right incentives to intensify cooperation between the providers of education, training and businesses should be provided by regional and national authorities. The coherence between instruments and measures (such as the definition of curricular standards, including the appropriate formulation of learning outcomes, the mechanisms of assessment, evaluation and managing quality, the training and continuous professional development of educators, and institutional leaders) should be increased.</p>		<p>X</p>	<p>X</p>
<p>15</p>	<p>Universities and Life Long Learning</p> <p>People of all ages should be stimulated to participate in education and training process, according to the principles of Life Long Learning (LLL) either to achieve the highest level of competencies and skills for their future jobs, and/or to engage in continued training in order to develop and update their competencies and qualifications for the current needs of the labour market.</p> <p>Though this is primarily in the interest of each individual, modern circumstances require systematic and sustainable activity of the community, as well as the employer in stimulating people for lifelong learning, and developing specific competitive competencies. Among concrete instruments, learning vouchers and learning accounts are promising new experiences successfully introduced in several countries.</p> <p>Authorities should provide incentives for companies to encourage skills upgrading also in companies along their value chain, particularly with their suppliers.</p>	<p>X</p>	<p>X</p>	

<p>16</p>	<p>Demand-driven curricula development and sectoral councils at EU level</p> <p>The capacity to anticipate future skill requirements, using a combination of different methods at European and national level in a coordinated way, combining skill supply and demand forecasts with qualitative information on actual skills needed (e.g. EU-wide employer surveys, sectoral studies and scenarios, advisory sectoral bodies and/or groups of experts analysing emerging, evolving and changing occupations and labour market conditions) should be improved. This implies good quality statistical data on jobs and skill/competence requirements, at all levels, including EU.</p> <p>EU sectoral councils, bringing together existing national networks at EU level for the analysis of the skills needs and the development of proposals for updated qualifications in each sector, and a new and specific body representing all key stakeholders of the learning sector at EU level should be created.</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>17</p>	<p>Building the base for an innovative, critical student mindset already before university</p> <p>Bologna-inspired changes in tertiary education require an inquisitive, innovative, open, and critical mindset of the students, but this cannot be encouraged and developed successfully at the university level, unless students have been guided and coached in this direction already by their secondary school teachers.</p> <p>Education authorities and secondary school principals should pay particular attention to the approach applied by secondary school teachers in achieving this primary pedagogical objective in a systematic and consistent way.</p>		<p>X</p>	<p>X</p>

ANNEX II

The representatives of regional development agencies and similar development institutions from the countries of South-Eastern Europe, on the occasion of the sixth European Regional Economic Forum, EREF-2010, entitled "DEVELOPMENT OF HUMAN RESOURCES: Competencies and Values for a Knowledge-based Competitiveness – A New Agenda for European Regions", held in Nova Gorica on 7 and 8 June 2010, at the initiative of Mirko Brulc, Mayor of Nova Gorica and Deputy of the National Assembly of the Republic of Slovenia, at their meeting,

- having presented their organisation and mode of operation in their local environment;
- having compared their views of the issues discussed at EREF-2010;
- having estimated the level of implementation of knowledge as an opportunity and as a value with which to enhance competitiveness in their own regional and national environment;
- having noted of the mode of operation of EREF, its preparatory workshops and its Network for South-Eastern Europe,

have adopted the following

Positions of the first meeting of regional development agencies and similar development institutions from the countries of South-Eastern Europe:

1. Regional development agencies and similar development institutions represent one of the strongest generators of economic, infrastructural and social development, as each of them in its own area:
 - greatly contributes to the definition and quantification of development objectives;
 - harmonises development objectives among the various actors in the society, and coordinates the manners and strategies of their achievement;
 - keeps an important database which is relevant for the successful definition and implementation of development strategies; and
 - represents, together with the competent state bodies, the most important source of know-how about obtaining EU and other funding, which significantly contributes to the development of their areas.
2. EREF with its plenary session and workshops, as well as its Network for South-Eastern Europe, represents the stimulating coordinator of relationships among the various regional development agencies, in particular in the area of the exchange of information and solutions and of the presentation and assessment of good practices.
3. On this basis, those present adopted the fundamental principles of EREF and the manner and organisation of its Network for South-Eastern Europe, and expressed the need and willingness to work together to achieve the jointly defined objectives.

4. The meeting of regional development agencies and similar development institutions from the countries of South-Eastern Europe shall become a regular form of comparing and validating their work with the purpose of defining, harmonising and achieving development objectives at local, national and regional levels. Between the plenary sessions of EREF, the meetings shall be organised by the signatories in their respective environments.
5. The Nova Gorica City Municipality has assumed the coordination role for the period until the next meeting in the second half of September 2010. It shall be responsible for establishing an interactive forum and preparing a minimal set of information to be contributed by the participants to the common database with the purpose of facilitating and accelerating the achievement of the defined objectives. The participants shall as soon as possible suggest to the Municipality agenda items for the next meeting.
6. The Nova Gorica City Municipality shall provide for the translation of these positions and submit it to the signatories.

Those present agreed to acquaint the plenary session of EREF-2010, and the members of the EREF Network for the South-Eastern Europe, with these positions, and to disseminate them to the media.

**Representatives of the Nova Gorica City Municipality
and regional development agencies and similar development institutions from
the countries of South-Eastern Europe**

List of participants accessible at www.eref.eu

INITIATIVE FOR COLLABORATION AMONG THE ALPS ADRIATIC RECTORS' CONFERENCE AND THE DANUBE RECTORS' CONFERENCE

Based on discussions in Thematic Tables C and E at EREF-2010 on governance of collaboration at transnational level, and specially at the level of Macro Regions, Chairs of the two tables proposed the following recommendation, which was adopted by the final, plenary session of the Forum:

In view of enhanced governance, the Forum calls for joint initiatives of the Alps Adriatic Rectors' Conference and of the Danube Rectors' Conference. It is suggested that the two managing rectors' organizations make concrete proposals to be submitted to the European Commission, presently elaborating the Danube Strategy.

An added value to the joint initiative could be represented by the establishment of a joint secretariat, able to carry out its activities also through an operational office in Brussels.