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Education and social cohesion for economic growth

MARK A. CAMILLERI and ADRIANA CAMILLERI

Relevant theoretical underpinnings suggest that higher education, continuous professional development and training provide numerous opportunities for societal advancement. This contribution posits that interventions in the realms of education can play a significant role in shaping key performance indicators for laudable social outcomes. It suggests that education leadership may contribute to create a fair, just and equitable society for all. This article discusses how education fosters social cohesion. This paper sheds light on Malta’s National Reform Programme in order to meet the European Union’s (EU’s) 2020 strategy. It presents an assessment of the economic, social and environmental situation in Malta. The smallest EU state is pursuing its policy efforts to reduce early school leaving. At the same time, it is striving to address skills gaps (and mismatches) in its domestic labour market. This case study indicates that with better education leadership, there may be implications for economic growth, job creation and competitiveness. It shows that family-friendly measures including better access to childcare, more flexible working schemes and employer incentives can help individuals to return to work. In conclusion, this contribution maintains that the pursuit towards continuous improvements in education leadership and social progress can create a virtuous cycle of productivity outcomes and economic growth.

Introduction

Who would argue against lifting people out of poverty? Today, education transcends curriculum programmes. It provides opportunities for social mobility as individuals are rewarded according to their own merit. Therefore, interventions in education leadership may play a significant role in shaping key performance indicators for social outcomes. It may appear that little is known about the antecedents, the causal pathways and the relative impacts that different educational interventions have on social outcomes (Gradstein & Justman, 2002). Education may possibly contribute to create a fair society (OECD, 2008). Thus, the notion of social cohesion and its constituent elements, social inclusion, social equality and social mobility are some of the concepts which are increasingly being addressed by stakeholders in education (Goldthorpe & Jackson, 2007). Academia often attempt to shed light on the link between education and economic development (Gradstein & Justman, 2002; Green, Preston,
Sabates, 2003; Thorbecke & Charumilind, 2002). With better education, there may be implications for economic growth, job creation and competitiveness (OECD, 2012).

This paper begins by exploring some of the relevant theoretical underpinning and regulatory guidelines surrounding the notion of social cohesion. Afterwards, it discusses some of the contemporary challenges facing education leadership in the Maltese context. The Ministry of Education and Employment in Malta is currently working on a strategy to respond to the European Union’s (EU’s) recommendations for national reforms in educational leadership for lifelong learning. This contribution hints that Malta will have to pursue policy efforts to reduce early school leaving by setting up a comprehensive monitoring system. Malta is committed to raising awareness of the importance of education and training for all. At the same time, this case study suggests that the smallest EU State is striving to address skill gaps in its labour market. It is hoped that Malta’s productivity and competitiveness may be improved even further through more participation of women in the Maltese job market. The promotion of flexible working arrangements (see Putnam, 1995), the provision and affordability of childcare facilities as well as out-of-school centres can help to achieve economic growth and prosperity. Such measures and proposals may possibly bring more social cohesion and a better living for all members of society.

**Setting the scene of the research problem**

The flagship initiatives of the Europe 2020 strategy, including the platform against ‘Poverty and Social Exclusion’ and the ‘Agenda for New Skills and Jobs’, have supported efforts to reach these targets (EU, 2010a). Through its ‘Social Investment Package’, the European Commission has provided guidance to Member States to modernize their welfare systems towards social investment throughout life (EU, 2010b). The Commission has worked together with EU countries through the ‘Social Protection Committee’ using the Open Method of Co-ordination (social OMC) in the areas of social inclusion, health care and long-term care and pensions (ESF_OMC, 2009; EU, 2010b). The process also involved close cooperation with relevant stakeholders, including social partners and civil society. In most EU countries, the wealthy households are significantly in a much better position than middle-class and poor households (OECD, 2011). Changes in the population structure in the labour market, over the past 20 years, may have contributed greatly to this rise in inequality. The wages and salaries have been improving for those people who were already well paid. By contrast, poverty among young adults and families with children had increased. Nowadays, there are also more single-adult and single-family households (OECD, 2011). In this light, several theoretical underpinnings about equality of educational opportunity have distinguished between different concepts of equality (Coleman, 1975; Grisay, 1984). The fight against poverty and social exclusion is at the heart of the Europe 2020 strategy for smart, sustainable and inclusive growth (Copeland & Daly, 2012). There are millions of Europeans who are still
on the sidelines, both from the labour market and from social inclusion and integration (Jackson, 2009). According to EuroStat (2012), these figures are on the rise:

24% of all the EU population (over 120 million people), are at risk of poverty or social exclusion—this includes 27% of all children in Europe, 20.5% of those over 65, and 9% of those with a job; Close to 9% of all Europeans live in severe material deprivation—they do not have the resources to own a washing machine, a car, a telephone, to heat their homes or face unexpected expenses; 17% of Europeans live on less than 60% of their country’s average household income; 10% of Europeans live in households where no one has a job; There is a wide gap in performance between the welfare systems in different EU countries—the best reduced the risk of poverty by 35%, the least effective by less than 15% (EU average 35%); 12 million more women than men are living in poverty in the EU. (source: EuroStat, 2012)

Combating poverty was a central component of social cohesion, as a lack of resources can trigger a number of processes of exclusion. This can also happen in the areas of education, employment as well as in different aspects of social life and citizen participation (Copeland & Daly, 2012). The young population has always been recognized as one of the most vulnerable groups in society. This is particularly the case in today’s situation, as the financial and economic crises have had a strong impact on young people (EuroChild, 2012). One out of five children under the age of 17 live in families at risk of poverty, and many of them in families with young parents (EU, 2011). Youth unemployment (young people between the age of 15 and 24) stand at more than double that of the total population. At the beginning of 2010, the youth unemployment rate exceeded 21% (compared to 10% for the general population). There was an increase in more than 32% from the previous year. At the same time, more than one-third of all young people in the EU between the age of 18 and 24 were neither in education, employment nor training. One-fifth of children did not have basic standards of literacy and numeracy. And while the percentage of early school leavers has continuously decreased over the last decade, it was still at about 15% at the end of 2008 (EU, 2011).

In most EU countries, it is evident that there is an equality gap between the rich and the poor. In many cases, the wealthy households are significantly in a much better position than middle-class and poor households. Changes in the population structure in the labour market, over the past 20 years, may have contributed greatly to this rise in inequality. The wages and salaries have been improving for those people who were already well paid. By contrast, poverty among young adults and families with children has increased. Nowadays, there are also more single-adult and single-family households (OECD, 2011). Moreover, unequal results in education are increasingly being tolerated as long as they are proportionate to the different characteristics of pupils at the start of their courses (Souto-Otero & Whitworth, 2006). Under this principle, a notion of ‘objective merit’, typically measured through examination scores, has guided the progress of individuals through several educational systems. Financial help to individuals from less privileged backgrounds is therefore permissible according to this principle. The emphasis of this principle is on access to courses rather than on the structure or quality of these
courses (Souto-Otero & Whitworth, 2006). This discourse leads to this case study’s underlying research question.

**Focused research question**

“How can educational leadership reinforce social cohesion to achieve economic growth in the European context?”

**Educational leadership for cohesive societies**

Significant investments have already been made in many EU countries to raise competencies that help improve social outcomes, since these are known to affect educational and labour market success. Promoting social cohesion through education has re-emerged as an important policy objective across many countries during the past decade. ‘A cohesive society works towards the well-being of all its members, fights exclusion and marginalisation, creates a sense of belonging, promotes trust, and offers its members the opportunity for upward mobility’ (OECD, 2011, p. 17).

At times, educators may feel over-burdened by pressures to meet the criteria that define success, e.g. raising student performance in high-stakes tests, improving the quality of curricula and instruction, and dealing with children from diverse cultural and linguistic backgrounds. Quality education may become more affordable across the population, and schooling may become a strong leveller of opportunities. Consequently, this may ultimately bring better prospects for upward social mobility (Goldthorpe & Jackson, 2007). Education may well reduce any inequalities in society by fostering cognitive, interpersonal and emotional skills as well as promoting healthy lifestyles, participatory practices and norms (Jackson, 2009). It is important to realize that certain instruments that reduce opportunity costs of continued education can possibly improve attainment levels (OECD, 2012). Therefore, lowering the cost of schooling may encourage higher education enrolment. At the same time, the quality of education leadership needs to receive adequate attention so that increases in educational outcomes effectively translate into greater productivity, better growth prospects and improved chances in the labour market. This calls for ensuring policy coherence across sectors and stages of education levels. There is also a need to ensure that educational institutions provide student-centred services. This underlines the importance of taking a holistic approach with all stakeholders.

Therefore, policy-makers, heads of schools, teachers and learning support staff should be made fully aware of their responsibilities and those of their peers. All these issues are also consonant with the OECD’s guidelines:

Policy coherence requires governments to promote strong linkages horizontally (i.e. across the ministries of education, health, family and welfare), vertically (i.e. across central, regional and local levels of government) and dynamically (i.e. across different levels of education). (OECD, 2010, p. 207)

During these past two decades, relevant theoretical underpinnings and empirical studies have investigated how educational mechanisms may help
to achieve social cohesion. For instance, Jenson and Saint-Martin (2003) indicated that social investments and employability policies may be tailored to individual needs. They made reference to specific measures that provide work–family balance. The authors suggested that governments’ expenditures on childcare services will help to allow women to increase their employment rates. Jenson and Saint-Martin (2003, p. 94) hinted that government may cover the shortfall between income needs and market incomes, by a strategy of ‘making work pay’.

Green et al. (2003) believed that there is little clarity in policy discussions about what social cohesion meant and how education may have affected it. Gradstein and Justman (2000) had reported that uniform schooling reduced redistributive conflict among distinct social groups. Heyneman (2000) argued that social cohesion had significant economic benefits particularly in western societies where public education has been one of the main contributors to social cohesion. Gradstein and Justman (2002) had emphasized the central role of human capital and how education contributed to economic growth. They examined the implications of experiencing endogenous growth where education plays the dual role of building human capital and determining social orientation. However, they hinted that these two dimensions may inevitably interact through the adverse effect of social polarization on the productivity of human capital.

Social inclusion

Education has the potential to bring social cohesion through civic and social engagement (Putnam, 2001). How children are schooled may impact on their sense of belonging to a society. The schooling experience itself impacts social cohesion, as it shapes and transmits common values that underpin social capital and inclusion (OECD, 2012). (Green et al., 2003) had clearly distinguished between social capital and societal cohesion. They argued that education leadership acts in differential ways on each. Green et al.’s (2003) ‘distributional model’ shed some light on the relationship between equality of educational outcomes and the various measures of social cohesion.

Galston (2001) has shown that school-based efforts to form active citizens may not be successful if the children’s families and their local communities do not provide good opportunities for them to engage in civic activities. Charity begins at home. Children can reinforce their values and attitudes by discussing civic matters with their own parents at home. Moreover, Putnam (2001) argued that open classroom environments, classes that require practical involvement in social matters and school ethos that promote active citizenship can be conducive to stronger civic participation from a tender age. These efforts are most likely to be successful when family and community environments are aligned together with the institutional efforts made by educational leaders. The children’s well-being and their social progress are more likely to work when their home and community environments are synchronized with what children
experience when they are at school (OECD, 2010). On the other hand, basic cognitive skills, positive attitudes, healthy habits and other personality traits such as patience, self-efficacy and self-confidence can be nurtured in the family environment (Witmer & Sweeney, 1992). Individuals may be better prepared for life when they can enhance their cognitive knowledge as well as their social and emotional skills at home.

Arguably, the family background will help to form the basis for instilling values, attitudes and better active citizenship among children (Deem, Brehony, & Heath, 1995). In addition, educational leadership may create an inclusive schooling environment to nurture social cohesive values towards the entire community. This is one of the reasons why education should be organized to increase the participation of all children hailing from diverse backgrounds (Witmer & Sweeney, 1992). Education can become more inclusive with the most vulnerable groups in society. Educational leaders are entrusted with the formulation of specific policies and measures for social equity in their schools. For instance, gender-sensitive policies and facilities may foster equal access to education for both boys and girls. Efforts to close the gender gap in education may help to break the intergenerational transmission of poverty (Jacob, 2002). Educational leaders are instrumental in emphasizing the delivery of inclusive curricula and teaching practices that foster diversity and enhance positive perceptions of others within the system and society (Ambe, 2006). This applies particularly to the better integration of minorities in education. Countries where inclusion at school is greater are generally also those where trust between different groups in society is stronger. Inclusive schooling systems tend to perform better in terms of learning outcomes than segmented ones (Ainscow, 1997). Given that a significant fraction of children, mostly from disadvantaged households, are deprived of quality home environments and/or access to quality early childhood education, compulsory and remedial education have an important role to play (Currie, 2001). Therefore, education policy may help to address the skills deficits of children who have missed the opportunity to develop their basic competencies early in life. Perhaps, school leadership approaches to the equity issues then becomes one of developing, orchestrating and leading localized school practices that maximize the representation, participation and recognition of disadvantaged groups and individuals (Raffo & Gunter, 2008).

Social equality

Gradstein and Justman’s (2002) paper had examined the relationship between social cohesion, education and growth in the context of a dynamic model in which the productivity of economic transactions depended on the social distance between the transacting agents. They reported that the expected individual income decreased as a function of average social distance. These cultural distances are determined by the social orientation of the schooling that parents provide their children. Parents contribute to their children’s material well-being by raising them
more closely in line with the mainstream, common culture. In Gradstein and Justman’s (2002, p. 15) own words; ‘this development carries a psychic cost of diluting the traditional values in which the parents themselves were raised and thus weakening the bond between parent and child’. Gradstein and Justman (2002) went on to claim that education is a socialising force as it instils civic virtues from an early age. Therefore education leadership may facilitate the interaction between members of a society who differ in their backgrounds. As such, education has often played a key role in forging national identities and establishing centralized governments. Interestingly, Gradstein and Justman’s (2002) paper indicated that coercive centralized schooling may result in rapid homogenization and may possibly yield less welfare than decentralized education. Empirically, Gradstein and Justman’s (2002) analysis suggested that econometric estimates of the contribution of education to growth and of the determinants of public involvement in education, that was conditioned on cultural and religious divisions, should consider not only the size distribution of ethnic groups but also the social distance between them. In addition, their results implied explicit testable hypotheses regarding the narrowing of ethnic wage differentials from one generation to the next, and the greater likelihood of religious rather than cultural divisions persisting in the steady state. On a normative plane, their analysis indicated that the design and assessment of school reforms should take into account their impact on the socializing role of education, in addition to their effect on scholastic achievement. They concluded by arguing that there should be more policies to enhance social cohesion in educational institutions.

Green et al. (2003) posited that education effects societal cohesion through: (i) socialization, by inculcating through the curriculum and the school ethos the values and attitudes which are conducive to social cohesion; (ii) increasing the level of skill, by allowing better cross-cultural understanding and more effective civic participation; and (iii) through the way it distributes opportunities. Interestingly, Thorbecke and Charumilind’s (2002) study had indicated a strong correlation between skills distribution and income inequality across countries. Moreover, there was a highly negative and significant relationship between educational inequality, income inequality and social cohesion. Green et al. (2003) found that educational inequality exercised a significant effect on social cohesion which was independent of income equality. This surprise finding did not mean that there was no effect through income equality. The co-linearity between education inequality and income inequality, which overshadowed the effect from income inequality, may have obscured any impact educational inequality had through income inequality. However, the strong cross-national correlations between education inequality and income equality (Green et al., 2003; Nickell & Layard, 1998) may have indicated that any relationship between educational equality and social cohesion runs, at least in part, through income equality. Green et al.’s (2003) model has shown that one important way educational leadership may have influenced social cohesion is through the degree to which it had generated relatively equal educational outcomes amongst different people. This may have affected certain aspects of social cohesion through the way it has stratified society both in income
and cultural capital terms. Previously, Knack and Keefer’s (1997) study had shown that trust and civic norms are stronger in nations with higher and more equal incomes, with better-educated and ethnically homogeneous populations. In a similar vein, Green et al. ’s (2003) empirical studies had proved that social cohesion and education are highly sensitive to inequality as well. Notwithstanding, education does not only effect skills distribution. Perhaps more attention may have been placed on the development of shared or cooperative values and on the attenuation of inequalities in educational outcomes. Green et al. (2003) hinted that many Anglophone countries were placing more stress on raising mean levels of achievement rather than reducing inequalities. These indicators may have reaped fruit in terms of economic competitiveness, although many academics had voiced their doubts about this (Brown, Hesketh, & Williams, 2003). When it comes to promoting social cohesion, there is clearly a case for prioritising the reduction of inequalities, rather than just raising average levels. Beauchamp-Pryor (2012) maintained that disabled people need to be involved in future policy development. She suggested that barriers such as power sharing and traditional ideologies are increasingly being challenged by disabled voices that want to become more active in society.

It is in the regulatory institutions remit to tackle inequality that polarises their societies. Greater income inequality also stifles upward mobility between generations, making it harder for talented and hard-working people to get the rewards they deserve (Goldthorpe & Jackson, 2007). Generally, social mobility seems to be higher in countries where income inequalities are relatively low. In some other countries mobility tends to be lower with high income inequalities (Jackson, 2009). Processes of social mobility from one generation to the next and from career beginnings to occupational destinations often reflect the dynamics of the occupational structures. By analysing the patterns of these occupational movements, the conditions that affect them, and some of their consequences, one attempts to explain the dynamics of the stratification systems. It may appear that the children living in countries where there is large gap between rich and poor may be less likely to improve on the education and income attainments of their parents than children living in countries with low income inequality. (EuroChild, 2012; OECD, 2008)

**Educational leadership in the maltese educational context**

Young adolescents who leave education and training prematurely lack skills and qualifications which are essential for their employment. Similarly, vulnerable groups can possibly face serious, persistent problems in the labour market, particularly during the tougher economic times. Malta has responded to such contentious issues through relevant measures including provisions of training schemes and employer incentives. It has also used the EU’s Training Aid Framework which was co-funded through the European Social Fund to strengthen the employability prospects of the Maltese work force. In a nutshell, this programme sponsored students, employees and unemployed individuals to train themselves in areas which were required by the labour market. Recently, the publication of the Europa 2020 report has recommended that Malta ought to take steps to reduce its high rate of early school leaving. The smallest EU member state has committed itself to pursue policy efforts in its education
system to match the skills which are duly required for its labour market. On 5 April 2013, the Ministry for Education and Employment has launched an ‘Early School Leaving (ESL) Strategy’ which was aimed at reaching the Europe 2020 targets (EU, 2013a). This strategy aims to reduce the number of students who leave school at an early age. Educational leaders had crafted policies to motivate students to pursue their studies at tertiary levels. Even though significant improvements in the early school leaving rates were made in the last 10 years, there is still a major challenge ahead in order to reach the Europa 2020 target of 10%. The ESL rate as at 2011 stood at 22.6%, according to the Ministry of Education and Employment (2012). The latest strategy is based on the following main principles:

- Proactive, supportive, timely and accessible measures to tackle ESL by schools and all other structures involved;
- Focus on a multi-stakeholder approach including parents, NGOs and local community groups;
- Development and maintenance of appropriate structures and early warning systems;
- Parity of esteem between academic and vocational pathways;
- Focus on flexible exit and entry points into the education system (EU, 2013b).

This report indicated that some preventative measures against ESL included the implementation of the ‘National Curriculum Framework’; the provision of more opportunities for vocational education and training (VET) in compulsory education; the strengthening of the existent ‘Validation of Informal’ and ‘Non-formal Learning’ and development of new forms of teaching and learning, such as ‘e-Learning’. It suggested that there will be intervention measures which include the review of existing measures with a focus on school, parent and teacher collaboration; the development of a multi-stakeholder approach to address the needs of particular groups of students at risk of ESL and further strengthening of guidance throughout compulsory education. It reported that compensation measures shall include the review of second chance and re-integration programmes and the provision of comprehensive support. The ESL strategy outlined how the provision and affordability of more childcare and out-of-school centres will lead to a reduction in the gender employment gap (EU, 2013b). Social inclusion is both an outcome and a process of improving the terms on which people take part in society (WorldBank, 2013). The inclusivity concept is based on mutual respect, solidarity, promoting equal opportunities and decent living standards regardless of economic status or ability, gender, sexual orientation, social or ethnic background, etc (EU, 2013c). As a matter of fact, EU (2010b) has called for social inclusion through the following goals:

Creating jobs for youth employment and youth centres as means of inclusion, (perhaps through incentives, grants, tax relief et cetera); adopting a cross-sectoral approach when working to improve community cohesion and solidarity and reduce the social exclusion of young people;
Addressing the interlinkages between e.g. young people’s education and employment and their social inclusion; Fostering greater intercultural awareness and competences for all young people and combat prejudice; Disseminating information and education activities for young people about their rights; Addressing the issues of homelessness, housing and financial exclusion; Promoting access to quality services—e.g. transport, e-inclusion, health, social services; Promoting specific support for young families; Engaging young people and youth organisations in the planning, delivery and evaluation of the European Year of Combating Poverty and Social Exclusion. (EU, 2010b)

Malta has and is responding to such European recommendations. In the last decade, some measures were introduced to attract more women employees in the workplace. Moreover, Maltese employers can claim deductions (upon filing of their income tax return) on the construction of a childcare facility or the acquisition of childcare equipment at their work premises. Maltese families may now send their children to childcare centres, free of charge. Recently, this project was being carried out with the close involvement of the private sector. The families who opted to send their children to private childcare facilities were benefiting from an income tax deduction of 2000 on childcare centre fees (EU, 2013b). Since October 2009, the Foundation for Educational Service (FES) has offered an after-school care service. This service aimed to provide an after-school care service within school structures; to bridge the gap between day school and regular working hours of parents in employment. The schools and colleges were utilized after their regular schooling hours. This service ran throughout the scholastic year for school children, aged between 3 and 16 years old (EU, 2013b). The introduction of such incentives were intended to attract inactive women to enter the labour market. So far, these measure were proving to be quite successful as female participation in the workplace has increased from 41.1% in 2011 to 45.4% in 2012. (NSO, 2012). Notwithstanding, the maternity leave has been increased from 14 to 16 weeks in 2012 and further increased from 16 to 18 weeks in 2013. Moreover, the adoption leave has been extended to 18 weeks as from the 1 January 2013. As with maternity leave, employees were entitled to receive their full salary for the first 14 weeks adoption leave. If employees chose to avail themselves of leave beyond the paid 14 weeks, the additional 4 weeks as from 1 January 2013 is considered as special unpaid leave and payable at a fixed weekly rate equivalent to the maternity leave allowance. Adoption leave may be taken by both the mother or the father and it can also be shared between them. Adoptive parents may also utilize a year of unpaid parental leave for each adopted child and they are given an opportunity to avail themselves of a once-only career break of 5 years unpaid leave for the same purpose. A new concept was also introduced whereby in terms of Legal Notice 503 of 2011, employers cannot force pregnant employees to work overtime (EURES, 2013).

A recent publicity campaign has enticed more women to participate in the labour market. A video clip included a 13-week TV series which promoted financial independence for women and the greater involvement of men in the sharing of non-remunerated family work. It targeted employers by highlighting the benefits that increased work–life reconciliation
measures at work can have for both employers and their employees. This campaign also included a study which, amongst others, analysed the reason for the low female employment rate in Malta. This campaign entitled, ‘Sharing Work-Life Responsibilities’ aimed to:

- Increase the female employment rate by promoting the benefits of financial independence for women through formal employment and self-employment; sharing of non-remunerated work at home; and a second income for the family, to achieve a better standard of living;
- Decrease the feminisation of poverty through dependence on the State and/or their spouse/partner where financial matters are concerned;
- Promote a change in the workplace mentality by targeting employers on the benefits and win-win solutions that can be achieved through the introduction of various work-life reconciliation measures in their organisations (EU, 2013b).

The Employment and Training Corporation (ETC) has and is undertaking other laudable measures for unemployed persons. Individuals who register for employment benefits are trained to acquire entrepreneurial skills and competences. Through this initiative, unemployed people (and small business owners) are given appropriate training in businesses-related issues and mentoring. Successful participants who have completed this training programme and who have presented a viable business plan are awarded an enterprise grant of 5000 (EU, 2013b). Interestingly, during 2012, a total of 33 persons applied to receive training and mentoring in this area, and 15 of them were women. Such training programmes were usually aimed at supporting individuals who are interested in enhancing their business management skills. Such a programme is also consistent with Europe’s 2020 target to develop and attract (entrepreneurial) talent. Entrepreneurship has also become a key source of growth as this can boost innovation and creativity (OECD, 2007). Similarly, the Ministry of Education and Employment is helping older people and disabled job-seekers with training and work placements in both business and industry. At the moment, there is a growing demand for skills in knowledge-based industries, such as information technology and financial services in Malta. Many training programmes are part-financed by the European Social Funds (ESF). The Malta College for Arts, Science and Technology (MCAST) is playing a critical role with new, industry-related vocational courses which are relevant to many groups of students. For instance, sustainable tourism, niche manufacturing and aircraft maintenance are just some of the new subjects which are being taught at MCAST, as there are immediate employment opportunities in these fields. The ESF has and is also supporting higher education by offering students the chance to follow postgraduate courses both in Malta and abroad. These projects are supporting Malta’s aim of having a third of its workforce with tertiary education by 2020 (EU, 2013b).

The ETC in Malta has made good use of EU funds to address the challenge of skills mismatches in the labour market (EU, 2013b). In the
period between 2008 and 2015, the MCAST has benefited from seven European Social Fund projects addressing the challenge outlined above with a total allocation of over EUR 33 million (EU, 2013b). Three of these ESF projects have recognized skill mismatches between education and the labour market. The project identified current and anticipated educational needs and skill gaps of 10 industrial sectors in Malta. Educational leaders in collaboration with employers continuously strive to address any shortages of the present workforce through the provision of specific training. A number of existing courses are being re-designed so as to become more relevant to current economic needs.

Discussion

Arguably, a more social cohesive Europe may have helped to cushion the effects of the recent recession. Social inclusion, social mobility and social equality policies have reduced economic differences whilst promoting environmental and social development. This contribution affirms that the European economies can become even more productive and competitive if they keep investing in education, training, research and innovation. One of the prerogatives of Europe 2020 is to reduce the share of early school leavers to less than 10%. At the same time, this strategy has a strong focus on employment creation, skills and labour market reform. It explicitly targets poverty reduction and exclusion. Europa 2020 aims to increase employment rates and wants to raise the quality of jobs, especially for the disadvantaged groups including women, young people, disabled individuals and older workers. It also its intention to integrate migrants in the labour force. This calls for a need to anticipate and manage change by investing in skills and training whilst modernising labour markets and welfare systems. Economic development is closely linked to the capacity to create, retain and attract human capital (Halpern, 2013). Economic growth is also correlated to the quality of education, training and life-long learning opportunities (EU, 2006). This is also consonant with Putnam’s (2001) social capital. This paper has indicated that the reforms in education (including the ELS strategy, training incentives, child care provision et cetera) ought to be founded on social principles such as entitlement; diversity; continuum of achievement; student-centred learning; quality assurance; and teacher professional support (NCF, 2012). This case study suggested that centralized educational leadership may help to achieve social equity and social inclusion in the Maltese context. It has identified some of the policies and measures which lead to a cohesive society. Well-laid out curricula are capable of successfully developing the full potential of lifelong learners. In addition, the government’s policies of taxation and redistribution of income may have also helped to counteract inequalities in some segments of the Maltese society. This case study reported how educational leaders have introduced certain mechanisms to equip people with the relevant knowledge and skills that they need for today’s labour market. Active employment policies are required to help unemployed people find work. The overall objective of employability programmes is
the reintegration of jobseekers and the inactive individuals into the labour market as well as the provision of assistance to employed persons to secure and advance their job prospects. This contribution has indicated how educational leadership strategies and social policies impact on the economic and institutional development.

**Implications and conclusions**

This paper has presented a case study of educational strategies that can bolster economic growth and social cohesion. It featured some of the European Commission’s recommendations for Malta to establish a comprehensive overall strategic framework detailing priorities, objectives, and the reforms which are needed to maximize the impact of investment in social cohesion. As a result, Malta has set itself clear and measurable targets as it emphasized the importance of effective delivery and visible results (EU, 2013b). Malta is highly dependent on the quality of its workforce. It is taking concrete steps to improve the provision of training, skills and qualifications. The smallest EU state is raising the quality of its education and training systems in its endeavours to encourage a greater participation of its workforce. Malta has recognized the importance to reduce its number of unqualified school leavers. Ongoing training opportunities and continuous professional development can surely offer valuable support more people to join the job market. Measures including; better access to childcare and more flexible working schemes are helping women to take up training opportunities and return to work. Such incentives to prospective employees are also consonant with Putnam’s (1995) discourse. These commendable measures can possibly lead to the desired productivity outcomes. Arguably, the Maltese government seems committed to spend more intelligently, focus on the EU’s top priorities and add visible value to its social capital. In conclusion, this paper maintains that educational leadership and social progress can create a virtuous cycle of productivity outcomes and economic growth.

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