

# **The benefits of EU membership to the city of Glasgow**



**Report prepared by  
Alison Thewliss MP  
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## Foreword

Later this month, we'll go to the polls to answer a simple question: "Should the United Kingdom remain a member of the European Union or leave the European Union?". This is a serious decision, with profoundly significant consequences, therefore we need to get it right.

Too much of the EU referendum debate has been distant, male dominated and, in so many cases, focused solely on the internal politics of the Conservative party.

In the course of speaking to constituents, I've been challenged - quite rightly - by genuinely undecided voters to explain why people in Glasgow should vote to remain in the European Union.

Whereas the Scottish independence referendum debate was conducted at a grassroots level and in doing so, ignited passionate debate in local communities, I am acutely aware that too much of this debate has been so far removed from people's day to day lives.

We risk sleepwalking our way into leaving the European Union if the respective Remain and Leave campaigns

continue to focus their on distant, hyperbolic arguments which simply bear no relation to people and the communities they live in.

In producing this short report, I hope that other Glaswegians will reflect on what the UK, and Scotland's, membership of the European Union means but not just at a national level – also here in Glasgow too.

Europe is not perfect – far from it. It still needs major reform and the Scottish Government has made that crystal clear. However, walking away from the table now just doesn't make sense when we've achieved so much.

In this report, you'll get a flavour of what Glasgow has gained from our European Union membership and how it's helped develop and cultivate our image as a modern, vibrant European city which attracts hundreds of thousands of European tourists every year.

So I hope that when you answer that question on your ballot paper on 23<sup>rd</sup> June, you'll feel better informed as to why our city benefits from remaining in the European Union.

A handwritten signature in white ink, appearing to read 'Alison Thewliss', is positioned above the printed name.

**Alison Thewliss MP**  
**Member of Parliament for Glasgow Central**

## The benefits of EU membership to Glasgow – executive summary

- Since 2008 Glasgow City Council has received £24 million of funding to support various projects across the city.
- Between 2007 and 2013 Scotland received €800 million in structural funds, and in the MFF 2014-2020 period Scotland will receive €985 million in EU structural funds. Projects in Glasgow have benefited from this funding.
- The European Research Council (ERC) and the Horizon 2020 programme provides funds to support academic research. Scottish institutions successfully secured over €110 million of Horizon 2020 funding within the first 18 months – around 10% of the funding awarded to the whole UK.
- Scottish universities participate in Erasmus study abroad programmes, which are managed by the EU.
- Businesses in Scotland benefit from access to the EU's Single Market and from Regional Selective Assistance Grants, which have provided over £83 million of investment to businesses in Glasgow since 2010, creating 7292 new jobs and protecting 3251 existing jobs.
- The EU provides support for employment and training. €92 million is being provided to support the Youth Employment Initiative in Scotland, which supports young people into jobs, education and training.

## Infrastructure

The European Union has provided significant structural funds to support infrastructure and projects in Glasgow. The European Union disburses funds which advance EU policies over a range of areas. 5 structural funds are in operation which deal with 5 broad policy areas – the European Regional Development Fund (ERDF) (regional and urban development), European Social Fund (ESF) (social inclusion), Cohesion Fund (CF) (economic convergence), European Agricultural Fund for Rural Development (EAFRD) (agriculture and rural affairs) and the European Maritime and Fisheries Fund (EMFF).

EU structural funds have provided significant support for projects across Scotland. Between 2007 and 2013 Scotland received €800 million in structural funds, and in the MFF 2014-2020 period Scotland will receive €985 million in EU structural funds. When combined with match funding from the Scottish Government and other public sector organisations the total spend based on EU Structural Funds will be €1.9 billion.

EU structural funds have provided both social and economic benefits for the city of Glasgow, with projects across the city benefiting from financial support.

## Case studies

In 2012-13 the ERDF provided a contribution to the £11 million of funding provided to upgrade Dalmarnock station in time for the 2014 Commonwealth Games, in partnership with Clyde Gateway, SPT and Glasgow City Council.

€476,787 for the Roma-Net project, which seeks to promote inclusion of the Roma community, improve participation and community engagement and provide training and pre-employment opportunities in this often marginalised and socially excluded group.

EU

€2.5 million for the Innovation for Competitive Enterprises (ICE) initiative at Glasgow Caledonian University, which promotes SME competitiveness.

€7.8 million for the Technology and Innovation Centre (TIC) at Strathclyde University. The centre is the hub for Scotland's new International Technology and Renewable Energy Zone (ITREZ). This funding is expected to generate 1,436 new jobs and attract millions of euros of inward investment to Glasgow and the wider Scottish economy.

## Business/industry

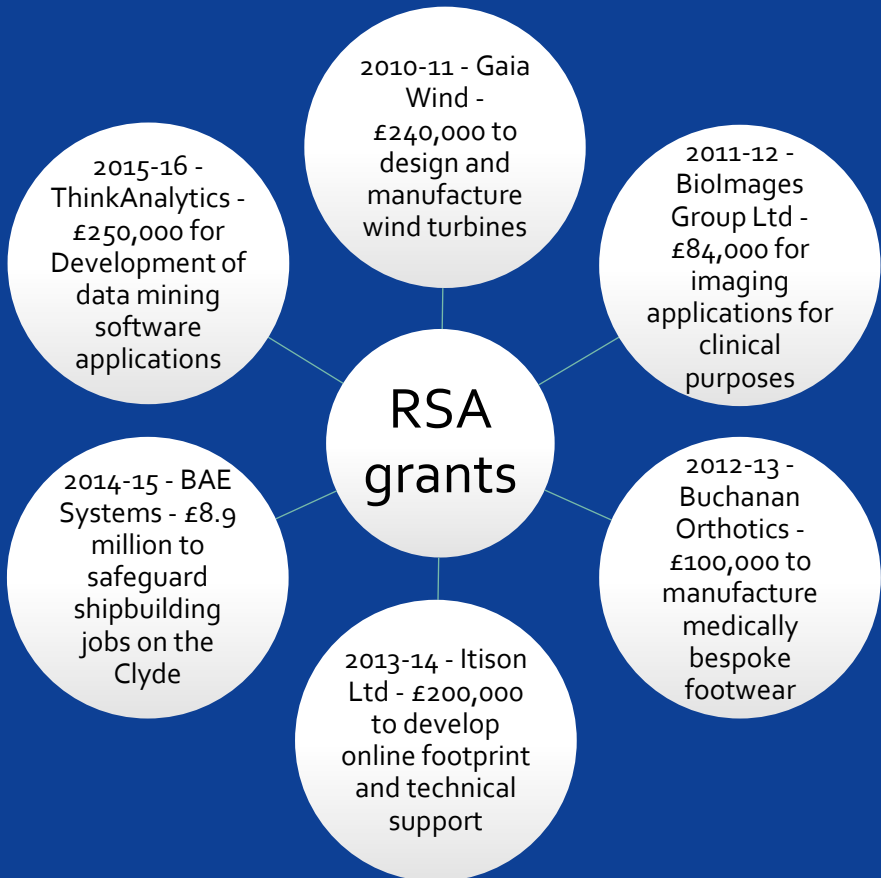
Through Regional Selective Assistance (RSA) grants, the EU provides support to key Scottish industries and supports job creation in Scotland. In 2014/2015 alone, 121 offers of RSA grants were accepted by businesses across Scotland, totalling over £57.8 million worth of investment. 8991 jobs have been created or safeguarded as a result of the awarding of RSA funds to Scottish businesses.

Since 2010 RSA grants to businesses in Glasgow have provided over £83 million of investment, creating 7292 new jobs and protecting 3251 existing jobs. (see Case Studies)

Investment in infrastructure is also provided by loans from the European Investment Bank, which has supported publicly funded projects in Scotland. The European Investment Bank provides a not-for-profit option for borrowing for capital investment projects which is funded by EU member states. In Glasgow, European Investment Bank funding has supported improvement works on the M8, M73 and M74 motorways, to the tune of £174 million. European Investment Bank funding has also supported the construction of state of the art educational institutions in Glasgow, with £100 million for the City of Glasgow College campus, £100 million to refurbish the University of Strathclyde and £105 million to refurbish 28 secondary schools and 1 primary school in Glasgow. European Investment Bank funding has also supported the Scottish Government's objective of regenerating town centres, with £24 million provided by the Joint European

Support for Sustainable Investment In City Areas (JESSICA)  
fund for regeneration of Bridgeton in 2010.

## Case studies





## Research/universities

The European Research Council (ERC) and the Horizon 2020 programme provides funds to support academic research and research collaborations between academia, industry and other stakeholders. Scottish universities benefit from ERC funding. Between 2007 and 2014, Scottish organisations secured €572 million in research funding from the European Research Council, which is almost 1.3% of the entirety of the EU budget.

Horizon 2020, which started operating in 2014, provides support to thousands of research collaborations between British and EU institutions. Funds are allocated on a competitive basis to projects which demonstrate excellent research potential (in a similar manner to the UK Research Councils). In the first 18 months of the Horizon 2020 research programme, Scottish organisations successfully secured over €110 million. This funding amounts to around 10% of the funding awarded to the whole UK. 35% of the Horizon 2020 funds are allocated towards climate-related objectives – an example of inter-departmental working within the EU which promotes joined up thinking across policy areas.

Free movement of people provides students with the ability to study anywhere in Europe and Scottish universities participate in the Erasmus programme. The Erasmus programme provides grants to students in participating higher and further education students in the EU to study within another EU higher education/further education

institution. Glasgow's 3 main universities, the University of Strathclyde, the University of Glasgow and Glasgow Caledonian University all participate in Erasmus, reflecting the internationalist outlook of these institutions in welcoming students from across the EU to study in Scotland. The proportion of students from Scottish HEIs taking part in Erasmus study abroad programmes is around 13% from 2009-14. Scottish participation in the Erasmus programme is slightly higher than in other parts of the UK (relative to Scotland's overall population in UK)

The Erasmus+ programme goes beyond student exchange and inter-university collaboration – it also provides support for migrant integration into the labour market. Funding has been provided for projects in Glasgow which support migrants who do not speak English as a first language into education and employment. The Education and Employment Pathways for Speakers of Other Languages (EEPSOL) project, which was based at Anniesland College (now Glasgow Clyde College), has provided a strategy and materials to support migrants into education, employment and training. The EEPSOL project has benefited 50/60 migrants per EU country as well as providing frameworks and materials to support future integration projects.

Surveys of international students indicate that a potential UK exit from the EU could make the UK a less attractive destination for higher education – a view shared by students coming from outside the EU as well as from within the EU.

The 2016 International Student Survey (ISS) sampled over 10,000 international students on the question of the UK's membership of the EU. OF those that responded to the questions on EU membership:

- Just over 47 per cent of international students said they would find the UK less attractive if it were to leave the EU.
- 82% of EU students reported that they would find the UK less attractive.
- 35% of non-EU international students reported that they would find the UK less attractive.
- If the percentages above are extrapolated onto HESA figures of EU and non-EU students coming to the UK then it is predicted that 50,056 EU students and 63,060 non-EU students could be put off coming to the UK, with consequent financial impact on Scottish and UK universities due to the fee income generated by international students.

## Employment/migration/labour

The EU provides support for employment and training through the ESF and pan-European initiatives such as the Youth Employment Initiative. The European Social Fund Operational Programmes 2014-2020 is providing a total of 371 million euros to support three key strategy areas in Scotland:

- Tailored jobseeker support through a “staged pipeline” system, which seeks to improve access to employment and training opportunities.
- Targeted support for people most likely to be socially excluded or in poverty, such as the unemployed, those on low incomes, single parent households and deprived communities
- Improving educational systems to be more responsive to labour market and industry requirements, with an emphasis on vocational training

EU funding also tackles youth unemployment through the European Youth Guarantee and the Youth Employment Initiative. The Youth Employment Initiative (YEI) will provide support to 6500 young people in south-west Scotland through apprenticeships, training, job search/careers advice, and start-up support for young entrepreneurs. €92 million is being provided to support the YEI in Scotland. The European Youth Guarantee, which the Scottish Government implemented under the auspices of Europe’s first ever dedicated Minister for Youth Employment, has given young

people up to the age of 25 a guarantee of a good quality offer of education, employment or training place within 4 months of leaving school or becoming unemployed.

## **Economy, trade and business investment**

The EU's Single Market remains a vital trade link for Scotland, which provides a significant market for exports and adds value to the Scottish economy through investment by European-owned companies. Just under one half of all trade (42%) from Scotland was with other EU member states in 2014, with a total value of £11.6 billion. Around 150,000 jobs were sustained directly in Scotland from exports to the EU in 2013 – jobs that would be at risk if an EU exit disrupted or inhibited Scotland's trade arrangements. In Scotland in 2013, nearly 4,600 business sites owned by non-UK European companies had a combined turnover of £42.1 billion and added £15.8 billion in Gross Value Added (GVA) to the Scottish economy. European-owned companies therefore made up 15.6% of all GVA in Scotland in 2013, making it the most economically reliant region of the UK on European owned companies.

Whilst the long-term economic impact of a UK exit from the EU is uncertain, it is clear that several key economic sectors in Glasgow could be adversely affected as a result of a UK withdrawal from the EU. Glasgow is home to the International Financial Services District, which provides over

50,000 jobs. This sector has made repeated warnings that job losses would occur in the event of Brexit.

The tourism industry in Glasgow has also expressed concerns about Brexit. To give an indication of the value of this sector to Glasgow's economy, in 2011 Glasgow attracted 2.3 million visitors, which generated £601 million in tourism revenue. Changes to the current arrangements regarding free movement of people could impact on the number of visitors to Glasgow and subsequently reduce the revenue generated from tourism.

#### **Case study – pitching for investment across borders**

in 2016, Glasgow is playing host to the European Forum for Industrial Biotechnology (EFIB) PitchFest 2016 – a conference providing significant opportunities to support biotechnology startups in Scotland and supported by the EU and Scottish Government. The EFIB Pitchfest will provide opportunities for industrial biotechnology companies seeking a minimum of €1 million of funding. Pitchfest provides SMEs with advice and business mentoring as well as opportunities to network with over 700 investors in the biotech industries.

# Benefits of EU membership to Glasgow

Free movement of people and the Erasmus scheme have enabled people to visit, live, work and study abroad wherever they wish in Europe. Glasgow attracted 2.3 million visitors in 2011, generating £601 million in tourism revenues.



Businesses in Glasgow have benefited from Regional Selective Assistance grants – since 2010 over 7200 jobs were created and over 3200 jobs were safeguarded in Glasgow as a result of £83 million of RSA funding for SMEs.

Since the launch of the EU's Horizon 2020 research funding programme, Scottish institutions have secured €1.10 million in funding. Glasgow University alone will receive £20 million in EU funding this year.

The European Investment Bank has funded vital infrastructure improvements in Glasgow. £174 million has supported improvements to the M8, M73 and M74 motorways.

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