

in brief...

Europe's universities – time for reform

Knowledge is an increasingly critical factor in shaping economic life – but across Europe, the institutions that should be the main sources of knowledge are failing to meet the challenge. Guest contributor **Nick Butler** outlines what must be done to improve the quality of higher education in the European Union.

With a few honourable exceptions, the universities of Europe are failing to provide the intellectual and creative energy that is required to improve the continent's relatively poor economic performance. Too few of them are world-class centres of research and teaching excellence. Many are desperately short of resources. Some are shamefully poor in every sense and can barely provide what most objective observers would understand to be an education of quality.

The picture is not uniformly bleak. The UK and some of the Nordic countries have increased funding in recent years. Countries such as Austria, Denmark and the Netherlands have greatly improved the way their universities are run. The UK has some of the best research universities in the world, thanks in good measure to the relative autonomy of its institutions and to the way that research funding is allocated – on the basis of peer-reviewed excellence as opposed to the whims of central government or the need to spread limited resources evenly across every region.

But European institutions are not well placed to compete in what has become a global competition for talent. In countries such as France, Germany and Italy, the sector is struggling to cope with too many students, and delivering uninspiring teaching in dilapidated buildings. Across Europe as a whole, higher education is crying out for reform in six important areas.

The first concerns control and independence. Universities need the autonomy necessary to manage their own affairs in an efficient fashion. Universities that are effectively agencies of the state – as is in effect the case in France and Italy – have very little control over their resources and are unable to set relevant academic priorities.

Throughout Europe, including the UK, there is a powerful case for universities to be more independent – even if government remains the main purchaser of services – including both teaching and research. This is not about 'privatisation' in the sense of institutions being sold to the highest bidder. It is rather about universities seeking and earning the freedom necessary to transform what one observer has called the last major nationalised industry.

Second, higher education needs to be properly funded. The European Union (EU) countries currently invest about 1.2% of their GDP in this area. A figure nearer to 2% would be required to make the EU an effective competitor with the best in the world.

The important difference between Europe and just about every other developed economy is that private finance plays a very modest role in its university funding. Thus, public funding for higher education represents about 1% of GDP for the EU countries, roughly the same proportion as in the United States. But private funding for US universities amounts to a further 1.4% of GDP and the average in OECD countries is 0.8%, compared with only 0.1% for Europe.

If the quality is to be maintained and improved, and Europe's students are to earn degrees worth the parchment on which they are printed, European governments will sooner or later have to introduce tuition fees. These should be backed by strong systems of maintenance grants to ensure that access is open to all and that students can afford to sustain three or four years of study.

The UK has started the process and Germany is moving in the same direction. The political challenge to the status quo in France will be enormous. As many British and American universities can testify, increasing numbers of the best young French people are already voting with their feet, seeking an international education beyond the stultifying constraints of the ancient regime at home.

Third, European countries are going to have to become much more selective in the way they allocate resources. There are nearly 2,000 universities in the EU, most of which aspire to conduct research and offer postgraduate degrees. By contrast, fewer than 250 US universities award postgraduate degrees and fewer than 100 are recognised as research-intensive.

Given this concentration of resources, it is no wonder the United States dominates the league tables of the world's best research universities. Europe needs to devote its available research budget – at national and EU level – on the basis of peer-reviewed



excellence. Research funding should not be a cover for regional policy.

Selectivity is also important when it comes to accepting students. World-class universities have to be free to pick their own talent rather than to take what comes – as happens now in large parts of Europe. Without some test of merit and potential, universities will remain simply a device for disguising unemployment numbers, as is the case in parts of southern Europe.

The fourth area concerns the curriculum reform. This is already under way in more than 40 countries across the continent, through what is known as the Bologna process. The idea is to establish easily recognisable and comparable degrees based around a two-cycle system of studies, starting with a bachelor degree and moving on to a masters. The UK, with its own traditions, has barely embraced the process, but change is coming and more British universities need to engage and to experiment in this area.

Fifth, Europe needs to develop a much more diverse system of higher education. Rather than attempting to make them all equal, the aim should be to create a rich mix of institutions – some offering world-class teaching and research, others concentrating on regional or local needs. Germany recognises this challenge with its plans to fund a small group of elite institutions, as do the best of the new generation of universities in the UK, which are developing their own specialisms and breaking free of the need to mimic Oxbridge.

Finally, in pursuing this agenda of excellence through diversity, a creative mix of funding is necessary – to reward talent, research and teaching; to stimulate entrepreneurial development; to encourage experimentation; and to

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enable universities to reach out to meet the rapidly growing global need for education. Much of this funding will come from government, but universities also need to develop their own funding streams, and to see themselves as self-standing institutions.

Diversity will be one of the principal benefits of a break from the nationalised past. As freestanding organisations, universities will be able to find their own distinctive capabilities.

Universities may seem slow to change, but history suggests that over time they do reflect the needs of the societies of which they are part. Change in higher education must be part of a much wider reform of the entire education system – providing ladders of opportunities; developing talents concealed by poor family backgrounds and language difficulties; and offering second and third chances for men and women to revisit the process of education through their lives.

Universities are part of that wider process and vital to its success. Their development and their capacity to respond to the challenges facing Europe will be a crucial leading indicator of the EU's success in the fiercely competitive environment of the twenty-first century global economy.

Europe needs a much more diverse system of higher education with a creative mix of funding

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Image: Lindsay Beyerstein