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## **Six steps to revitalise Europe's higher education**

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Published: June 5 2006 03:00 | Last updated: June 5 2006 03:00

Europe's universities, taken as a group, are failing to provide the intellectual and creative energy that is required to improve the Continent's poor economic performance. Too few of them are world-class centres of research and teaching excellence. Many are desperately short of resources.

The picture is not uniformly bleak. Taxpayers in the Nordic countries already make generous provision for higher education. Countries such as the Netherlands, Austria and Denmark have in recent years 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.

But European institutions are not well placed to compete in what has become a global competition for talent. In countries such as Italy, France and Germany, there is a kind of drab uniformity across a sector that 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 is **governance**. The best universities in the world all have the autonomy needed to manage their own affairs in an efficient fashion. Universities that are an emanation 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.

Second, higher education needs to be **properly funded**. The European Union countries currently invest about 1.2 per cent of their gross domestic product in this area. A figure nearer to 2 per cent 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 per cent of GDP for the 25 EU countries; roughly the same proportion as in the US. But private funding in the US amounts to a further 1.4 per cent of GDP and the average in countries of the Organisation for Economic Co-operation and Development is 0.8 per cent, compared with only 0.1 per cent for Europe.

Given their fiscal constraints, all the big countries in Europe will sooner or later have to introduce tuition fees. The UK has started the process and Germany is moving in the same direction. The political challenge in France will be enormous.

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. No wonder the US dominates the league tables of the world's best research universities, given this concentration of resources.

**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.

Fourth, 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.

Fifth on the list comes **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. It is essential that universities manage this change efficiently - and that **employers recognise the value of bachelor degrees**, rather than insisting that recruits should spend five or six years in higher education.

Finally, Europe needs to **avoid the temptation of top-down initiatives**, which invariably turn out to be expensive distractions. The European Institute of Technology proposed by José Manuel Barroso, European Commission president, is a classic of this type. Much better to devote any extra funding to the new European Research Council, which will allocate its money solely on the basis of peer-reviewed excellence.

This is a long shopping list. But all the countries in Europe are at last beginning to recognise the need for change. What they need now is a sense of urgency.

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