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Monitoring the economic crisis: EUA calls for governments to support public funding of higher education

The European University Association has published today its latest monitoring report on the impact of the economic crisis on national higher education systems in Europe. The report underlines the increasingly difficult situation faced by European universities: many governments have already made significant cuts to public funding of higher education; whilst there are growing fears in other countries that cuts are likely to follow in the coming months. To enable universities to play their full role in helping European economies out of recession, EUA is calling on governments to commit to major investment in higher education and research and renew efforts to reach the Barcelona target of 3% (of GDP) investment in research and the 2% (of GDP) target for investment in higher education proposed by the European Commission.

Public funding accounts for the majority of university income across Europe. EUA's work has shown that there have already been major cuts to public spending in Latvia (an initial cut of 48% in 2009 followed by an 18% cut in 2010) and heavy cuts of 5-10% in Italy (over 3 years), Ireland, UK, Estonia, Lithuania and Romania.

Cuts up to 5% have also been registered in the Czech Republic and Poland as well as in a number of South Eastern Europe countries including Croatia and Serbia. Elsewhere, a number of governments have discarded previously made commitments to increase higher education funding. In Hungary for example, the government has cancelled plans announced in 2007 to increase overall university funding, leaving universities with 15% less financial support than previously expected. Similar reports have also come from the Flemish Community in Belgium, which has seen a funding freeze replace a previously promised increase of approximately 10%.

Only a small number of European governments have upheld their commitments or indeed provided new investments to fund higher education. In Germany, where financing of higher education is mostly the responsibility of state authorities, the federal government has increased investments to support the financial security of German higher education and research institutions. These investments will provide an additional 800 million EUR under the renewed higher education pact which will support growing student numbers until 2015. The federal government will also invest a further 2.7 billion EUR from 2012 – 2015 into the German Excellence Initiative and provide a funding increase of 5% per year until 2015 for the Innovation and Research Pact. France has also increased its overall higher education funding by investing almost 30 billion EUR in 2010 into key priority areas. From this amount, 11 billion EUR will be invested to improve the overall quality of higher education, 8 billion EUR will go towards developing research while the remaining funds will be used to create new university campuses of excellence or towards restructuring existing ones.

EUA's monitoring has also collected evidence on the impact of the crisis on private funding for universities. This is becoming an increasingly important part of universities' financial structures, helping to diversify their income streams and contributing to their overall financial sustainability.

The economic crisis has, in some countries, fostered a public debate on private contributions to higher education. Heated discussions are currently taking place on the introduction or increase of tuition fees to help universities reduce the funding gap which has been created by the decreasing levels of public funding. For example, changes are now occurring even in the Nordic countries where there was previously broad agreement among society and politicians that higher education should be exclusively publicly funded. Finland, Sweden and Denmark have all started to introduce tuition fees at least for some offered programmes and/or will charge tuition to foreign students.

The impact on other types of private funding is less clear for now as data is more complex to collect and analyse. Although EUA's monitoring showed no direct impact on current collaborative projects between universities and industry, individual accounts from Austria, Belgium, Finland, Germany, Netherlands, Norway, Portugal and Switzerland have highlighted some difficulties in starting new projects.

Furthermore, reports from foundations, which offer another potential source of income for higher education institutions, show that their funding base has also been affected by the crisis.

There are indications, too, that the economic crisis has also had negative impacts on the development of university autonomy in certain countries. These include introducing more direct steering mechanisms, and regulations as well as unbalanced accountability procedures which EUA believes will be counterproductive in making universities an essential player in overcoming the crisis.

EUA will continue to monitor and analyse these developments in the coming months and, as stressed in its 2009 Prague Declaration, it believes that for universities to play their full role in helping European economies out of recession, politicians must commit to major public investment in higher education and research. "Europe cannot afford to run the risk of losing a generation of talented people or a serious decrease in research or innovation activity," the Declaration underlines.

EUA is again calling for renewed efforts from governments to reach the Barcelona target of 3% (of GDP) investment in research and the 2% (of GDP) target for investment in higher education proposed by the European Commission. European stimulus packages are needed to: create real opportunities and incentives for young researchers to: tap unused potential through the implementation and financing of lifelong learning across Europe; and upgrade universities' facilities and campus infrastructure.

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The European University Association, as the representative organisation of both the European universities and the national rectors' conferences, is the main voice of the higher education community in Europe. EUA's mission is to promote the development of a coherent system of European higher education and research.

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- This monitoring has been carried out as part of EUA's EUDIS project (European Universities Diversifying Income Streams). Please noted that an Experts conference 'Towards Financially Sustainable Universities II: Diversifying Income Streams' will take place on the 13-14 September at the University of Bologna (Italy) **Please click here to find out more about the conference:** <http://www.eua.be/events/eudis-experts-conference/home/>
- Please download the Prague Declaration [here](#) .
- A full copy of the latest EUA monitoring report is available on request