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Strong Universities for Europe

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

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Ladies and Gentlemen:

I was very pleased when the European Universities Association invited me to address this distinguished audience of University Rectors and Presidents. Your invitation has come at an opportune moment.

It has come at a time when more and more people are saying that education plays a vital role in the efforts to reinvigorate Europe's faltering economy. Why are they saying this? Is it because, as Mark Twain famously said: *'education is the path from cocky ignorance to miserable uncertainty'*? Perhaps. But miserable? Uncertainty surely occurs when you have freedom of thought and is something that only the dogmatic mind will reject.

But let me say this. It is my firm belief that education, culture, science and learning are

fundamental values at the heart of our society. They matter – even before we begin to weigh up economic considerations. They are an inherent part of ourselves as human beings and an inherent part of our European society.

Yet all of us, if we are being hard-headed, know that education and research also yield real dividends in practice, particularly in modern, hi-tech knowledge economies.

Last week European leaders meeting in Brussels endorsed Commission proposals to breathe new life into the Lisbon Agenda - the blueprint for growth and employment that the EU adopted five years ago. These proposals embody a vision of a knowledge-based society, a society which seeks to use education, research and innovation as engines for sustainable growth.

In fact, combined with the two other objectives the Commission proposed - making Europe a more attractive place to invest and work, and creating more and better jobs – the delivery of the new, refocused Lisbon agenda could boost Europe's natural rate of growth to around 3 per cent per year and bring our goal of full employment within reach by the end of the decade.

And while the underlying conclusion of European leaders was that not enough had been done to deliver far-reaching reforms during the first five years of the Lisbon agenda, I do not want to give the impression that all is doom and gloom in the European economy of 2005. Far from it. The European Union is already the world's biggest market, biggest exporter and biggest foreigner investor. The European Commission and the Member States are the world's biggest donor of

foreign aid. Europe is home to many of the world's largest and most successful companies and the countries which have recently joined the EU are some of the fastest growing economies in the world. Various surveys consistently show that Europe has some fine universities and that many of our university departments are world class.

Nevertheless, the warning signals are there. Increasing global competition and Europe's demographic squeeze mean 'business as usual' is not an option. In the field of higher education, we can already see that universities in Europe attract fewer students and in particular fewer researchers from other countries than their US counterparts. In 2000, Europe attracted some 450,000 students from other countries, while the US attracted nearly 550,000, mostly from Asia. More worrying still is that the EU continues to

attract far fewer graduates than the US in core subjects for innovation like engineering, informatics and maths. And three-quarters of EU-born students studying for their PhD in the US say they prefer to stay there after graduating.

As regards researchers, there are also grounds for serious concern. Without an increase in the number of researchers, Europe will not be able to secure and expand its role in science, technology, and innovation. We need 700,000 additional researchers, partly to replace our rapidly ageing research workforce and partly to ensure we can fully exploit the commitment made by Member States to boost public and private spending on research. And while the number of researchers in Europe is rising, today's level of around 6 for every 1000 members of the workforce still lags far behind Japan for example, with 9 researchers per 1000.

So clearly, to paraphrase a certain Danish university student made famous by Shakespeare: something is rotten in the state of Europe's research and education.

Together we need to find ways to strengthen, quantitatively and qualitatively, Europe's human potential in research and technology, by stimulating people to follow research careers, by encouraging European researchers to stay in Europe and by once again attracting the best brains from around the world to Europe. This means delivering on the promises already made to eliminate the barriers that restrict the mobility of students, teachers and researchers. This means ending national practices that limit or even block our institutions from recruiting the best talent that is out there.

Overall the funding deficit of our universities is at the top of our concerns. How much longer can we expect to outperform universities in Asia when a country like South Korea, for example, spends nearly 3 per cent of its GDP on its universities? Europe in comparison struggles to scrape together a little more than 1 per cent.

Scotland is pointing the way forward here, making it particularly appropriate that it is hosting this Convention. In 2005-6, all its higher education institutions are receiving a funding increase. There is a significant increase in funding for both teaching and research. In particular there is a rise of 32 per cent for the Knowledge Transfer Grant, which will allow the higher education sector here to make a much more important contribution to the development of a knowledge economy. It would seem that Scotland's centuries-old reputation for providing

the world with top flight minds, particularly engineers and scientists, is safe for the foreseeable future.

However, put into context, even these efforts appear a drop in the ocean. In 2001, the EU25 spent on average €8,600 per tertiary student. The US spent more than €20,000. To close the spending gap on the US the EU would have to spend an additional €150 billion a year, every year. Will this - can this? - be possible under current funding arrangements, especially at a time of substantial pressure on public finances? There appears to be an overwhelming need to diversify revenue sources, and we need to look at ways of doing this without jeopardising the important principle of fair access for all qualified students. Done properly, this could make a major contribution to liberating the full potential

of our universities, allowing them to compete on a level playing field with the best in the world.

Of course it's not just a question of spending more money; it's also about spending money more efficiently. The OECD's ongoing PISA study showed conclusively that inside Europe, it's not necessarily those who spend the most on education and training who score best in terms of results.

But if universities are to use the limited financial resources they have as efficiently as possible, if they are to maximise the social return on the investment society makes in them, they must have more freedom to manage themselves as they see fit.

That is why this liberation of universities should also extend to their governance. Universities need to improve their management of research

and other activities and should be allowed to do so, while public authorities focus on the strategic orientation of the system as a whole. Universities should also be allowed to develop innovative ways of closing the gap between new knowledge and the world of enterprise and commerce – a gap that must be closed if the Lisbon Agenda is to deliver on its promise to use knowledge and innovation as engines of growth and jobs.

So there is much to do, but last week's successful Spring European Council set the ball rolling by endorsing a series of policies, programmes and initiatives, proposed by the Commission. Let me highlight just a few in the field of education and research.

Education

Turning first to education, European leaders called for even greater mobility in the European

higher education area, one of the themes discussed here in Glasgow. The adoption of the proposed Integrated Programme for Lifelong Learning (2007-2013) would bring together the current Socrates and Leonardo da Vinci programmes, including the Erasmus, Comenius, Grundvig and Jean Monnet Actions. It would triple mobility figures and help to establish synergies between education and training reforms, promoted through the Bologna and Copenhagen Processes.

Member States pledged to step up their efforts to raise the general standard of education, aiming at high quality at all levels, and reduce the number of early school-leavers.

Lifelong learning was identified as a *sine qua non* if the Lisbon objectives are to be achieved. Here lies, in my view, a vital task for universities.

Universities and other higher education institutions should open their doors even wider to non-traditional learners, as this would contribute actively to upgrading the skills of the European workforce. This would not only be of great benefit to society as a whole, but also to your own institutions, taking into account demographic developments in Europe.

Leaders acknowledged the importance of the Europass initiative, which groups together so-called 'transparency instruments' such as the Training Certificate, the Diploma Supplement and the European CV. These instruments provide the necessary evidence of qualifications, so that people can move around Europe more easily to find work and make use of their experience and training. They also called for the adoption - in 2006 - of the European Qualifications Framework for Lifelong Learning,

an initiative presented to you by Commissioner Ján Figel on Thursday.

Last but not least, European leaders endorsed the European Youth Pact, calling among other things for better recognition of non-formal and informal education.

Research

Turning now to research, it was agreed that the target of boosting Europe's overall level of research investment to 3% of GDP, split adequately between private and public investment, be maintained. Tax incentives should be used to stimulate private investment in research and public investment should be given a better leverage effect. The Commission will be looking at its rules on state aid for research and innovation to ensure that such investment is encouraged.

The 7th Framework Programme for Research and Development which the Commission will be proposing next week is designed to provide new impetus to the European Research Area. Even more than its predecessors, it should act as a lever on national research budgets. The Commission is determined to ensure that this becomes a more user-friendly and simplified programme that is more closely tailored to your needs and the needs of the other main actors in the European Research Area. Commissioner Potocnik is working extremely hard in this endeavour.

While the main emphasis in the Framework Programme will remain on fostering cooperation in particular fields of research, there will also be support for developing Joint Technology Initiatives, based on strong public-private partnerships. This will build on the experience of

technology platforms to date, as well as European scale projects such as the Galileo Satellite Navigation System.

In line with the wish expressed at the Spring European Council, the Commission will also see to it that the Marie Curie Actions for research training, mobility and career development are reinforced.

This is important because we must provide researchers with long-term career prospects by improving their employment and working conditions. This is particularly true for women in research. Earlier this month the Commission adopted a Recommendation on a European Charter for Researchers and a Code of Conduct for the Recruitment of Researchers, and this should also go some way towards improving work conditions. But this will require your co-

operation, and I invite universities throughout Europe to adopt and adhere to the standard of the Charter and Code.

European leaders also recognised the importance of creating a European Research Council. What is this, and why has the Commission proposed it?

Research funding these days, whether public or private, tends to go for the 'safe bet', to where there is a predictable return. I fear that this is one reason why so many companies in Europe are cutting back their research departments. Even worse is the growing tendency of multinationals to transfer their research operations out of Europe to the US, or increasingly to Asia, taking advantage of the expertise that is rapidly developing in the world's new emerging economies.

This is particularly tragic in view of our rich research tradition over the centuries, allowing Europe to produce and nurture so many great minds. For example, Lord Kelvin held the Chair of Natural Philosophy here at the University of Glasgow for the best part of 50 years. He was a founder of modern physics and one of the greatest applied scientists of the 19th century. He also embodied mobility in higher education, proving an inveterate traveller across Europe and the US throughout his career. Some of his ideas, like those of many geniuses, seemed strange at first and took time to develop and to be accepted.

It is thus imperative that we always have funds to sponsor radical ideas in any field and not skew our funding mechanism so that there is no room for genuine 'blue skies' research. This is why the Commission has pushed for the creation

of an autonomous European Research Council. It would invite bottom-up proposals from scientists, without any thematic constraints. These research proposals would be selected for funding purely on the basis of their scientific excellence, as assessed by peer review. In this way we hope to encourage excellence in research by fostering competition on a European scale, and offer fresh horizons to scientists with new ideas which do not necessarily fit the straightjacket of the national research programme where they live.

Europe's present reliance on short term contracts to fund research posts is also damaging. They provide little or no career incentive for talented people wishing to make their way in research. In many ways, Europe can seem an unattractive place to do research. Is it so surprising, then, that so many of our brightest

minds studying for PhDs elsewhere in the world wish to stay there after graduating?

It is going to be fundamental to the work of the European Research Council that it attracts and supports the very best research and the most talented researchers on the basis of European competition. It is simply crucial for us to be able to nurture talent and to show that a career spent in research is worth pursuing. I was therefore very gratified, when I invited European Nobel Prize winners to a meeting in Brussels last month, that they came out firmly in support of the European Research Council and its goals. This, combined with the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers mentioned earlier should really help in making Europe a more attractive place for researchers.

Finally - and this covers both education and research - leaders at the European Spring Council took note of the Commission's intention to table proposals for a sort of 'European Institute of Technology'.

Details on this still need to be fleshed out and time is needed for this. At this stage the Commission is still very much in listening mode, and any feedback you can give on this idea would be most welcome.

But one thing I can say without any hesitation: with all the excellent work already being done by you and your colleagues, this is certainly not an attempt to reinvent the wheel.

That is why, rather than trying to create a brand new institution from a blank piece of paper, we should ensure that such an institution answers the need to support and bring together the best

in Europe. It should take the form of a network, founded on - but not taking over - some of the best universities in Europe.

It should play a role in offering world-class education and attracting the best researchers. It should raise the quality of research and research management in Europe and increase knowledge transfer and the spread of innovation throughout Europe, perhaps via sub-networks. Clearly it would need real autonomy if it is to accomplish these goals.

All the above initiatives will be pulled together at the Commission end by Commissioners Figel and Potočník, and I am pleased to note that cooperation between the education and research departments has never been as intense as it is now. Strong interaction between education and research is important, not only for

universities, but also for those high-level training institutions which do not themselves engage in research activities, but nevertheless do an important job, translating research results into teaching material.

Later in the year, the Commission will publish Commissioner Potočnik's Action Plan on university-based research based on the recommendations of the Forum on University-based Research.

Commissioner Figel has explained to you his complementary proposal for a Communication on the modernisation of European universities, focusing on attractiveness, governance and funding. This trio of terms already provides a good summary of our ambition for you.

In conclusion, I am proud to say universities have never featured so high on the

Commission's agenda. I hope you will agree that securing the future of Europe's universities is unquestionably one of Europe's top priorities. Equally, I welcome your views, the views of Europe's university leadership, for the development and implementation of both the Bologna Process and the Lisbon Strategy.

I am looking forward to the next step in the Bologna process: the meeting in May of Education Ministers in Bergen. Expectations are high and I am confident Bergen will be a major step forward. I have no doubt that your discussions and conclusions here in Glasgow will be part of that achievement. Today as in the past, I would like to pledge the Commission's support for the Bologna process which, thanks to your active participation, has been a real European success story.

Working together in this way – and with apologies to Mark Twain – we can ensure that the words ‘education’ and ‘miserable’ need never be mentioned in the same breath again. On the contrary, we want education to be seen in Europe as the principal tool for coping with the uncertainty implicit in our global world, a world where people at every stage of their lives can welcome change.