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European University Association

THE CONTRIBUTION OF UNIVERSITIES TO THE COMPETITIVENESS OF EUROPE

Summary

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(March 16, 2006)

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Modern growth theory, renewed Lisbon strategy and China

- The renewed Lisbon strategy, suggesting reforms as turning points towards growth and jobs in Europe, is indebted to these lessons of modern growth theory. The Commission strongly recommends investing more in knowledge and innovation.
- In addition to the R&D target, the Commission suggests a second target: to increase EU's investment in higher education, from currently 1.28 % of GDP to at least 2 % of GDP by 2010!

Modern growth theory, renewed Lisbon strategy and China

- With this R&D level of 1.4 % China would already rank in the upper half of the list of the 25 EU member states (after Slovenia's rank as number 12). China's increased input into R&D is accompanied by a return of overseas scholars in vast numbers. Alarming for Europe is not only that China regards the US and Japan, and not on Europe, as its potential peers to be matched in research and higher education. As announced officially, China aims at matching the US and Japan with respect to innovations by 2020.
- Given Europe's stagnation and the dynamics in East Asia, one can easily predict the day when East Asia – and not Europe - will possess “the world's leading knowledge-based economy” (Lisbon 2000).

The Modernisation of Europe's universities

- By tradition, European Universities reflect the ethical dimensions of education and research, contribute to the social underpinning of the economy, and act as cultural institutions, especially in the fields of the humanities. This is complemented by the very objective universities pursue: to prepare their graduates for future jobs in labour market for the highly skilled.
- The term “mass university” shows: universities experienced an enormous growth of the size of their institutions, especially in terms of student numbers. But due to bureaucratic rigidities, institutional inertia, and lack of funding, they have failed to cope with this growth in an adequate way. It is evident that the European university system needs to broaden access on a more equitable basis, that it has to reach out to increased excellence and that it must allow for more diversification within the system.
- The American university system is, as the President of the American Council of Education, David Ward, put it, “elitist at the top, and democratic at the base”; the European university system seems to be neither.

The Modernisation of Europe's universities

- European universities need to be more on the move! To make them fit for the future challenges to the Europe of Knowledge, three lines of action are needed:
 - (1) Universities should escape the shadows of governmental bureaucracies and become autonomous institutions, fully accountable to the general public.
 - (2) Universities in Europe still operate mostly in small national systems or sub-systems, resulting in a lack of recognition of foreign degrees and in low levels of trans-national or trans-sectoral mobility of staff and students. The Europe of Knowledge (EHEA and ERA) should emerge by 2010.
 - (3) The European university system suffers from a severe *funding gap* - the Commission has suggested to set a standard of at least 2% of GDP for higher education.

Hampton Court Follow-Up

- Experts' input to Hampton Court Follow-Up: Ideas about the contribution of universities to the Lisbon strategy:
 - (1) Break down the barriers surrounding European universities
 - (2) Provide the appropriate skills and competences for the labour market
 - (3) Reduce the funding gap and make funding more effective in education and research
 - (4) Create genuine autonomy and accountability for universities
 - (5) Acknowledge and reward excellence at the highest level
 - (6) Build-up an attractive image of European universities in the world