A step towards assessing higher education system – Report of the EEU conference of November 22/23, Maastricht

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Introduction

This report presents the debate over the current state, challenges and perspectives of European higher education carried out by highly recognized experts in the field on November 22nd and 23rd in Maastricht (NL). The debate focused on the role that the not for profit, non-governmental organization Empower European Universities (EEU), based in Maastricht, can have in the process of giving European higher education institutions the means to contribute to a more creative and inclusive European society.

EEU aims to evaluate national university policies periodically and to foster better, more rigorous evidence based policy-making across Europe. As its founders and collaborators intended, EEU will be able to effectively bring into the political debate the voice of universities and those of civil society. It will monitor the reform process all around Europe and feed into it new ideas, contributing to the Europeanization of higher education. It will help universities in their internal reform processes. Its activity, based on the passion of concerned individuals rather than on political representation, will make of it a dynamic member of a truly public debate about reforming university systems.

The link between education and socio-economic outcomes has been widely agreed upon by participants. These outcomes cover a wide range of aspects, ranging from social cohesion and economic growth to the preservation of democracy. Without empowered, well-functioning universities, these societal demands and needs are at stake.

The participants also agreed on the need for a global mapping to monitor higher education's situation, evolution and contribution to social welfare. The term "global" comprises geographical and functional aspects. In terms of geography, EEU focuses on the European context, but is keen to incorporate the results of initiatives involving other countries, as for example the World Bank's SABER project and the OECD's AHELO project, in order to achieve broader understanding. Functionality refers to the intention to develop a global view on how higher education institutions are performing (publications, ability of

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graduates to find suitable employment, …) and which constraints they are facing (level of autonomy in its different dimensions, funding, …) with respect to their functions (research, training, access, …).

The amount of work that has to be done in order to realize this mapping was acknowledged during the conference. Policy making is often judgmental, and works according to a logic that may not be based on the existence of good evidence. In addition, policy evaluation should depend on the context, and cannot be done only on the basis of average outcomes obtained through policy application in other countries/regions. Furthermore, risks are high when conducting such an ambitious project. The project's potential usefulness was not called into question. However, the consequences of inadequate project realization could be damaging.

The structure of the conference was based on individual speeches given by some of the participants. A number of participants was asked to comment upon these speeches. This document reports in chronological order on the most important points made by the speakers, and by the commentators. The last comments by Prof. Jo Ritzen, founder and chair of EEU, are used as a conclusion.

Session 1 – 22 Nov.

Mr. Xavier Prats Monné: "Whatever differences we might have, we have much more in common"

Mr. Xavier Prats Monné is Deputy Director General at the Directorate of Education Culture (European Commission)

Many people question whether the European Commission's policies on higher education, as exemplified by the recent Communication to the Parliament of September 2011, are going in the right direction. However, Mr. Prats-Monné believes that the answer is affirmative for several reasons. First of all, there is a lot to be done. European universities can and should do more to support overcoming the challenges Europe faces than they are at the moment. These challenges may be either environmental, societal, or human capital related. Second, it has been proven that policies can indeed make a difference. This is exhibited by the Finnish educational system which is now doing very well according to international comparisons, despite its low performance 15 years ago. Nevertheless, such policies need to be based on "hard evidence", not on assumptions. The enforcement of such evidence based policies can and should be encouraged by means of proper incentive systems for educational institutions. Independent institutions have an important function in this respect. According to Mr. Prats Monné, "OECD very often spells out things that we know, just we cannot say them". Independent voices reporting grounded,

evidence-based opinions can influence governments and contribute substantially to good governance. This is a role that EEU can aspire to play . During his speech, Mr.Prats Monné explicitly invited the EEU to work with the EU and embrace such a role.

The Europe 2020 strategy stands as a milestone in a good governance system approach. It provides quantifiable targets and links policies with budgeting towards the enhancement of European growth. The Communication on the Modernization of higher education agreed in September 2011 can be considered as a starting point for the implementation of the Europe 2020 strategy. The EU has managed to synthesize the claims and calls for action received from society into a few priorities; education is firmly on the agenda.

The recent Polish presidency report entitled "Towards a European Consensus on Growth - showing the key sources of EU growth" (2011) has also identified human capital as one of the main potential sources of human growth. Policy actions in the field of education, training and youth are considered as priorities to overcome the crisis. Human capital training is considered as a crucial tool to enhance innovation, create jobs and growth. A drastic change has to be made in terms of learning and teaching approaches to provide students with the relevant skills to meet the demands of our contemporary job market. As Mr. Prats Monné stated: “The way we teach has remained very close to what we did in the last century”. Such teaching approaches are no longer relevant to our contemporary learning environment. For example, the EU will aim to invest in powerful learning tools such as Open Educational Resources that will inevitably put into question traditional educational systems.

The Commission has proposed a budget of 19 billion Euros for the next 7 years to spend on education. The EU investment increase (+73% as regards the previous EU financial framework) for education, training and youth testifies that investment in these areas is crucial to Europe's future growth. It also reasserts the EU can make a difference in terms of modernization of educational systems.

While the September 2011 Communication looks at how to structure higher education systems, the next efforts will be directed towards understanding how we can make sure that systems are working. This will help member states successfully to implement new policies. In that sense, the new 'Erasmus for All' program sets out how European funds for education can be properly allocated to modernize higher education. In 2013, a Communication on the internationalization of higher education will be formulated. The main motivation behind it is that the global pool of talent should be considered as a whole and the Union should be able to tap into this consolidated pool. The Communication will provide ways in which

the EU can incentivize and attract such global talent. Budgets awarded by policy makers for the mobility of students in higher education should be increased and related to the assessment of institutional strategies. Also, bank institutions should be incentivized to provide advantageous credits for masters students.

Mr. Prats Monné positively assessed the approach being followed by the Commission for three reasons. First, it assumes that EU policies and funds can actually make a difference. Second, it strives to provide a proper measuring tool for governments. And third, it describes possible incentive systems.

He believes all higher education stakeholders have to work together, notably the EU and the EEU, to invest in the relevant policy instruments, funding activities and incentives systems to gain the maximum systemic impact to surmount difficulties and generate growth.

Mr.Prats Monné confirmed the crucial role of EEU in this systemic impact approach. As he stated: "We need to strive not to increase the budgets of governments, but the share of education in these budgets. Our main expectation is a 'new era' comprising of good evidence based policies" . In that sense, referring to EEU, he claimed: "Whatever differences we might have, we have much more in common. Full evidence based policy supported by money: if this is what you want, you are on board!"

Prof. Jos Engelen: "Common scientific goals bring scientists together. Science brings nations together".

Prof. Jos Engelen is the President of the Netherlands Association for Scientific Research (NWO)

Prof. Engelen shared some of his European experience with the audience. Coming from the Radboud University Nijmegen, he spent the summer of 1972 in the foreign student program of CERN in Geneva. Within this period he was able to attend lectures of leading scientists and work in close proximity with students of various European backgrounds. This made him realize that European cooperation brings added value to education and research: "Never before had I learned so much in such a short period of time". Therefore, it is legally, financially, politically and, most important, practically possible to create and implement a true European research policy. He also described the Netherlands Organization for Scientific Research (NWO) as an organization dependent on governmental funding. Its policy is based on a strategic plan and its main goal is supporting bottom up research initiatives. The NWO also encourages and facilitates access to high level research through the employment of structured strategic plans. Every new such strategic plan is presented to the Dutch government. The ultimate goal is to constitute an agenda providing incentives for further private funding.

A common understanding of the role of universities and their desired level of empowerment is needed. Universities should be empowered with a strong voice to analyze different fields of research. NWO, through the creation of a common policy, aims to achieve a better match between national and European strategies.

The Science Europe Organization (Brussels) aims to efficiently harmonize national and European research strategies. This is only possible through an effective interaction with the European Commission and between nations. The basic values and ideas of the Science Europe Organization converge towards the fact that a joint voice should influence European research policy. In the opinion of Prof. Engelen, in order further to strengthen European research, funding schemes based on excellence need to be created and solely initiatives that fit overall research strategies should be supported. The new European framework for research and innovation, Horizon 2020, is taking shape now and it is creating a synergy between national and European strategies. It has three main objectives: excellence, industrial leadership, and societal challenge. These strategic objectives should constantly reinforce each other. Common policies are necessary to maintain wealth and wellbeing of Europe and more power has to be entrusted to the central authority: "Common scientific goals bring scientists together. Science brings nations together".

The project of assessing the empowerment of universities in EU countries can play a role in European higher education policies. Prof. Engelen had, however, slight reservations about which criteria are most suitable to use when assessing them. Open access publishing of scientific papers has a large impact on scientific collaboration. University scoring should also take into account whether they employ open access publishing while maintaining high quality standards. When designing the assessment, "perhaps the most important indicator is excellence; second comes relevance to society's goals".

Reflections:

Prof. Peter Gaehtgens – "Reforming universities is a cultural challenge"

Prof. Peter Gaehtgens is professor of medicine at the Freie Universität Berlin

In general, there are three main challenges to European higher education. The first is the emergence of a trend towards professional education. This means better linkages between university education and professional careers. Nevertheless, reforming universities is also a big cultural challenge to our way of

thinking. Traditionally, universities have paid little attention to students. The main reason behind this is that students who reach university level were considered “mature”, in the sense of having an already fully shaped personality. Faculty thought that their duty was to teach, but not to educate. Today, more attention has to be paid to the needs of students, and the professional career they will probably pursue after graduating. Therefore, building effective links between education and professional life would mean that universities are truly contributing to society.

A second challenge is that reform is going to be a long process, not only because of cultural barriers. Prof. Engelen supported the idea of giving more powers to European institutions. However, today people from both rich and poor countries’ are becoming more averse to transferring powers to European institutions. The third challenge is posed by two major trends in the financial situation of the higher education sector. First, there is an increasing gap between research and education funding. More specifically, funding allocated for research is increasing, while funding for education is decreasing. The second is that overall institutional funding of universities is decreasing. This is in part due to the fact that governments are facing a substantial economic crisis which leads to a general reduction in public spending.

Prof. Peter Gaehtgens concludes that empowerment will be beneficial to university output. It will only work, however, if there is a common agenda between European institutions and governments.

Prof. Luigi Berlinger – “We have a common currency, but not a common degree”

Prof. Luigi Berlinguer is a member of the European Parliament

The progresses with the Bologna Declaration and the Communication of the European Commission had a great influence over the empowering of European universities. These two documents contribute to Europe’s convergence towards a change of policy, as the EU used to be highly fragmented in this sense.

The Bologna Declaration cannot remain in the domain of single national governments. Its first goal is that students have the right to a degree which is valid throughout Europe. The problem is that European universities do not have enough confidence in each other to allow this. A related point is the internationalization of education. Universities must acknowledge that teaching methods are different, and that this will require the creation of joint agreements.

In order for a university positively to contribute to the development of a European citizenship of Europe, it should respond to four educational necessities. The first comes from the presence of a social

dimension in the education of European citizens, which requests certain abilities and skills (from languages to multi-cultural understanding). The development of these abilities should be a duty of universities. Second, the university needs a flexible curriculum which is in line with this across other European countries. Third, a permanent assessment of teaching outcomes should be developed and employed. Finally, universities need to pay special attention to issues of mobility and employability. This translates into keeping close contact with the labor market.

Baroness Tessa Blackstone - "If we could grade university policies, how should such grades be used?"

Baroness Tessa Blackstone is a member of the House of Lords in the UK.

Baroness Tessa Blackstone, coming from the UK, a country where scepticism towards Europe is often explicitly expressed by policy makers, considered if and how the policy measures that will eventually be suggested could be implemented in practice. Her opinion was that there is a big emphasis placed on rational thinking and decision making whereas, in reality, decisions are rarely entirely rational or based on evidence. The application of the proposed framework is made even more difficult in the context of the present European crisis.

As a consequence, it is not clear how a potential grading system could be used. One possible application would be to have countries that score high advising those which score low. This is quite difficult to imagine as the climate is one where competition for research funding is very high.

Baroness Blackstone wondered whether member states should focus on what they can learn from each other's systems instead of creating one common system. She was sceptical about a policy design which comes top down from the European Commission.

Session 2

Prof. Juergen Enders: "If you run a university like a fish factory, it will not work out"

Prof. Juergen Enders is Director of the Center for Higher Education Policy Studies (CHEPS), Enschede (NL)

Higher education institutions will perform better as a result of improvements in the systems. In the words of Prof. Enders, "it is timely to look at the standard narrative of higher education reform. We have 25 years of narrative of higher education reforms available and in many countries we still do not know who does what and why". In this respect, EEU can make a contribution in understanding the

developmental process of higher education systems, the links between higher education policies and social outcomes, and whether these present any dilemmas or trade-offs. Universities are multi-product (education, research, even good citizenship) and multi-principled organizations. Principles are not limited to the government and the institutions. For example, surveys show that academics are more committed to their academic community than to other organizations.

In the Netherlands there has been a trend of moving from input control to output control, awarding universities more resources on the basis of output indicators rather than of input indicators. The latter alternative looks more appealing, but whether institutions will be awarded more freedom as a result is debatable. There seem to be significant dilemmas and trade-offs associated with the empowerment of universities.

The way the framework for empowerment of universities works in theory, especially with regards to public policy and university autonomy must be analyzed. At a theoretical level, it is convenient to model this problem with principal-agent theory. Its resolution requires several recommendations including risk turnover, setting incentives, and monitoring of performance. In other words, "bonding universities into performance contracts", in order to align their behavior to the principle's expectations. CHEPS' research tries to solve this principal-agent problem resulting in higher efficiency, as the agent will have the required incentives to perform better.

Next, whether the framework works in practice should be analyzed. It seems doubtful that governments will easily renounce their involvement in higher education strategies. Even supposing that universities achieve more freedom; they may not always make the best of it. Performance comes as a result of causal choices and at this point, there are only a handful of studies that look at public policy in relation to institutional autonomy. This does not provide conclusive evidence about the effectiveness of this relation.

In conclusion, the framework represents a very relevant and timely initiative. Nevertheless, not everything can be done in one step. If successful, this will provide very powerful instruments towards change.

Reflections

Prof. John Panaretos: "Europe can make a bold step forward at this time."

Prof. John Panaretos is professor of statistics and Director at the Institute of Statistical Research, Analysis and Documentation, Athens, Greece

For the past 20 years, Europe has been attempting to catch up with the US in higher education. In doing so, it was understood that universities needed autonomy. Later, it was realized that autonomy without accountability in a publicly financed system does not work. Hence, many European countries established bureaucratic systems to assess universities. This, however, has also generated problems. No national or state system of assessing Universities exists in the US, but still HE is doing well there. Prof. Panaretos is inclined to believe that centrally planned and implemented rules and policies in HE, no matter how well intended, will not solve the competitiveness problem of HE in Europe.

One possible solution would be to move away from Europe-wide and national policies and projects and allow Universities themselves to find their way, with governments assessing only the final outcome and regulating accordingly the public financing of the Universities. Large (and expensive) projects at the European and national levels do not seem to be successful. The main reason is that, because of the bureaucracy, it takes a lot of time from the planning to the implementation of a policy and so the initiatives become irrelevant by the time they are implemented. One example is that of the Ortelius initiative in the mid '90s. Ortelius was a project initiated and financed by the EU Commission to set up a data base on higher education in Europe. The idea was to provide information on the internet for all European universities to help European students who wanted to move. It was indeed a good idea. However, by the time the project was completed, all relevant information had already been provided by others on the internet. So, why should one use Ortelius to search for such information?

The framework of the EEU is important because it moves away from setting up a policy at a European level by a structured entity, like the Commission, a national government or the Council of Ministers of Education. It aims at creating an NGO that approaches the question of assessing policies in HE in a way that would be useful. At the same time, it will work as a powerful political tool not controlled by a government or a European Institution.

In a wider context, Prof. Panareto thinks that, in addition to benefitting from adopting successful examples, Europe should take a leading role in an area that is of critical importance for the future of HE, namely that of the level of tuition fees as a mean to sustain quality. The major public Universities in the US, as well as in some European countries, have confronted the financial challenge of maintaining

quality with steep increases in tuition fees. These increases have generated social unrest among young people, mainly because they put at risk the social mobility that HE should support. We see reactions in the UK, as well as in the US. We should take note that a key demand of the occupy movement in the US relates to increases in tuition fees. Europe, with its long tradition of state funded HE, should probably lead the discussion on how to tackle this hard problem.

Prof. Eduardo Grilo: "If we look with the eyes of crisis we will not get anywhere"

Prof. Eduardo Grilo is Administrator of the Gulbenkian Foundation, Lisbon

The subject of university empowerment needs to be analyzed beyond the context of the economic crisis. Europe has several specific aspects to deal with. One of them is the influence cultural and social diversity has on the different aspects of university empowerment.

In building the European Higher Education Area we need a bottom–up process, starting from higher education institutions, going to member states and to the Union. Public policies need to reinforce and empower institutions for development of high level research for Europe as a whole. However, as Prof. Grilo noticed, today some 80% of the funding for higher education is provided at the national level. A European funding system, providing incentives at a European level, is needed. The European Commission has many tools for creating incentives. Suitable mechanisms to build networks, mobility, and common projects have already been designed and employed, for example with the Erasmus Mundus project.

Europe is still just at the beginning of the Bologna Process. Its main goal is to change the content of the curricula. However, so far contents have been adjusted only in terms of length of programs and perhaps a few other characteristics.

When developing a scoring framework, it is important to keep in mind that empowering institutions is especially important with respect to four areas: leadership, accountability, concentration of resources, and internationalization.

Dr. Jan Koucký: "Grades need qualitative, context-dependent information"

Dr. Jan Koucký is a researcher at the Education Policy Center at Charles University, Prague

The changes to the framework can only be made step by step. It is necessary to agree on dimensions based on existing research outcomes. In this sense, scoring data should be used as much as possible while scoring done by experts should only be employed when no other data is available.

Country experts should bring qualitative (not only quantitative) research inputs and mediate national discussions. To be effective quantitative scoring needs to be done while being aware of the context. The employability of graduates is also a very important issue for higher education policy.

Session 3 – 22 Nov.

Mr. Thomas Estermann – "Providing evidence for Evidence-Based Policymaking"

Mr. Thomas Estermann is Head of the Unit Governance, Autonomy and Funding at the European University Association (EUA), Brussels

The European University Association (EUA) is based in Brussels. The association aims to improve universities' contribution to the development of Europe. EUA researches educational policies and trends in order to provide evidence necessary for evidence-based policymaking. This research effort has pointed out that various positive effects are related to university autonomy. The importance of autonomy is underlined by the attention it has received in past meetings and declarations by representatives of governments and other institutions involved in higher education. The Salamanca declaration, Graz declaration, Lisbon declaration and Prague declaration are good examples.

The EUA Autonomy Scorecard aims to give stakeholders an overview of the elements of importance in relation to autonomy; to provide universities with insights into trends and developments in other regions; to allow governments to benchmark and receive feedback on current policies; and to provide researchers with a database for research on university autonomy. EUA attempts to involve the relevant stakeholders in the development of the scorecard. In order to obtain data for the scorecard and to gain insights for weighting the indicators, it uses questionnaires, interviews and meetings.

The Autonomy Scorecard distinguishes between four different dimensions of autonomy: organizational, financial, staffing and academic autonomy. For every dimension several indicators have been identified. The level of autonomy is measured by assessing these indicators and the scoring for each autonomy area is then derived from this assessment. The scoring system is based on deduction values. For an indicator each possible regulatory restriction is awarded a certain value, based on how restrictive it is

perceived to be. If a higher education system has adopted one of these restrictive policies, the corresponding value is deducted from the score on this indicator, resulting in a lower score. A final score for an autonomy dimension is attained by calculating the average score for all its indicators. Furthermore, a weighting system is used to take into account the relative importance of indicators. The weighting system is based on a survey completed by representatives of national rectors' conferences.

One of the biggest challenges for the autonomy scorecard project comes from the fact that the political and institutional context of a country should always be taken into account when measuring autonomy. Mr. Estermann also acknowledged that autonomy cannot be measured objectively. The scorecard attempts to simplify a very complex subject. An attempt to account for differences in the perceived importance of indicators is made via the development of the afore-mentioned weighting system.

EUA has identified several trends regarding institutional autonomy. Important findings on organizational autonomy include the following. In most EU countries external members are included in university's governing bodies and universities are free to create (at least not-for-profit) legal entities. Any external confirmation regarding the appointment of rectors is in most cases merely a formality. EUA also finds that governing bodies generally seem to become smaller in size. The selection of external members in the governing body is in some cases at least partly controlled by governments, but recent trends show a shift towards university-control of the appointment system.

Concerning financial autonomy the possibility of retaining surpluses is becoming more customary in universities, but in a number of countries there are rules and regulations about this subject. Most universities are allowed to own real estate, but again there are often many rules and regulations on these matters. Tuition fees are set more freely by universities than before. Many universities indicate that they would like to receive funding for periods longer than 1 year (which is currently the most customary term in the EU).

Trends on staffing autonomy include that universities are increasingly free to determine recruitment procedures. Staff salaries in most universities are subject to restrictions. In a number of countries the promotion of staff is inhibited by regulations about the number of posts a university can have at a particular level. Staffing policies are also being strongly affected by the economic crisis.

Regarding academic autonomy, one common limitation in nearly all higher education systems concerns the number of students allowed to enroll. Most universities do have full authority to close programs, only a small number of systems require negotiations with a public authority. Universities are unable to

determine the language of instruction in approximately one-third of the countries. In most countries, universities are neither free to select their own quality assurance mechanisms, nor to choose their own quality assurance agency. Reforms in the area of quality assurance have recently taken place in a number of countries.

EUA aims to develop an online autonomy tool in order to attract interest to the subject and allow for benchmarking activities. It also aims to provide expertise and consulting services to institutions and governments that would like to improve their policies on university autonomy. Furthermore, continuous analysis can yield increased understanding of the subject, providing more evidence for future evidence-based policymaking.

Reflections

Ms. Sunita Kosaraju: "We have to find outcomes of the system and then look at determinants"

Ms. Sunita Kosaraju is junior researcher at the World Bank

System Assessment and Benchmarking for Education Results (SABER) is an initiative that helps countries systematically to examine and strengthen the performance of their education systems to achieve learning for all. It does so by looking at systems' performance. A number of input and process variables are used. Examples include: attainment, learning achievement, technology transfer and research output. In order to analyze this, the project looks at certain outcomes of the system, amongst others: attainment, learning achievement, technology transfer and research output. By analyzing these outcomes, a view on the overall system performance starts to emerge. In order to benchmark the performance of different regions, the World Bank looks at the goals the regions had and the achievement of these goals. The role of governance is analyzed by looking at system-wide governance and at how well mission and vision are defined within the system. This is combined with views on the prominence of the system, resulting thus in a twofold approach to governance measurement.

The World Bank has used this method of analysis in different economies. As such two important questions for every economic system are 'how can one ensure top research?' and 'how can this research be used by organizations in the economy?'. The project aims for cooperation with governments and institutions, deciding together which goals are important. An important thing to remember is that there

is no one-size fits all approach to governance. The SABER project therefore looks at how different institutions define their mission and how they use autonomy in order to attain their goals.

Prof. José Gago: "Lisbon? That was not me!"

Prof. José Gago is professor of physics at the Laboratory for Particle Physics (LIP), Lisbon

Talking about Lisbon is becoming increasingly thorny. Prof. Gago joked that, a few years ago, everyone would have claimed to be among the fathers of the Lisbon treaty, whereas today everyone looks for alibis showing the he/she was not there. People drafting the Lisbon treaty had to overcome disagreements among member states over a large number of issues. One of the most difficult issues, concerned for instance the different viewpoints France and the UK had on minimum wages. Similar differences existed over almost every domain of policy, from education to competition. The 'way out' from all these national disputes was the theme of information technology. During the nineties information technologies were progressing at an impressive pace, and the leaders of the big European countries shared the view that appropriate policies in this field could contribute to economic development. Other themes, including higher education, followed suit. Lisbon aimed high, but Europe is far from achieving those goals. Shortly after the signature of the treaty, Prof. Gago was invited to give a speech in Hong Kong to explain the treaty's purpose. The audience seemed enthusiastic about the propositions of the treaty. After the speech, however, Prof. Gago was politely asked during private conversations: "but you don't believe it, right?" The question left him surprised at the time, although it would not probably come as a surprise 11 years after.

"Today, in Europe we are facing a big problem: we do not know what is going to happen in the next two months". Prof. Gago described a meeting with the flavor of legend, having met an eye-witness. Towards the end of World War II, not far from the conference location (Maastricht), representatives of the Christian Democratic and Social Democratic parties, of the trade unions, bankers and businessmen met to discuss a new social contract for European societies. This contract was to have guaranteed cohesion and growth and kept Europe out of the hands of dictatorial regimes. The institutions that maintained the contract were paid for by taxes of both rich and poor. According to Prof. Gago, the contract was quite successful. But now everything is changing and the foundations of this contract are under discussion. The people of Europe are challenged to take important decisions concerning whether there is a need to change the European social contract and, if so, how.

One of the questions related to this is whether higher education should be one of the obligations included in this social contract or not. “Education paid by the rich for the poor is again on the table”. African Mediterranean countries like Tunisia also exemplify how higher education is seen in many parts of the world as an issue that must be faced by governments. The number of students enrolled in higher education increased worldwide from around 100 million in 2000 (when European leaders were discussing the Lisbon treaty) to about 150 million just six years later. The number of researchers and publications also experienced an impressive increase (respectively, from 5 to 8 million and from 1.1 to 1.6 million). This is extremely good news: there is a vast amount of knowledge to be offered to humanity in the years to come.

In Prof. Gago’s view, EEU is based on the political sentiment that empowerment has a potential for contributing to economic growth and to the social engine. However, it is important to be clear about the real reason for which universities should be autonomous and empowered. The real reason cannot be found in efficiency, or economic growth, but in democracy. This has become clear since the debate about the de-nazification of universities in Germany after World War II.

“Democracy needs cultural institutions where people can speak their minds without constraints. The rest is apart” (in terms of the reason for which we want to empower universities). Today we have more diversity in higher education than it was the case some decades ago. There are research-focused universities, Fachhochschulen, regional universities. It is indeed important to look at institutions from the point of view of different individuals from different origins. For the ‘top’ of the higher education system research is the key characteristic, for the ‘bottom’ access is the most important aspect. So, higher education institutions must be imaginative and original in designing themselves. They often have to be local, but simultaneously provide the young boys and girls with the possibility to receive education elsewhere. “Proximity matters”; if the University of Maastricht did not exist some of its students might not go to university at all. You have to have local universities, but you should also give people the ability to study abroad.

Another question is whether the universities could have done differently, and better. Perhaps even the current crisis could have been avoided. According to Prof. Gago, this is just not known. We do not even know what we can do in order to get out from this economic crisis. Economists have miserably failed in explaining the social and economic developments; the domain of their knowledge. Others would have expected this part of the academic community to admit the failure, either in teaching and/or in research. “People believed that there was a thing called science in the economy, that thing failed, and

we do not know why". In Prof. Gago's eyes, US economists have done a better job than their European counterparts in this respect as they engaged in a reflection of the failure. This raises the question whether it is possible to build a real academic community: building a community is possible only when every part of it takes its responsibility and, when necessary, its guilt.

After building a European academic community, a fruitful relationship with the US academic community must be established. According to Prof. Gago, European universities have been envious of the successes of US top universities for decades. Only the CERN (with which Prof. Gago had a considerable experience) "has brought the European flag forward". The US have excelled in advertising, involving companies in higher education, and in creating institutions such as community colleges and top universities. "But envy is not the right reaction: we should work hand in hand with them". The CERN itself was created with enormous help from the US. For some reasons, there is an absence of a regular community and institutional entrenchment between US and European institutions. If it is recognized that US universities are better, then this should be embedded in every university's strategy. "We must create a transatlantic platform: why are US universities working more in Singapore and Hong Kong than in Europe?" There is an absence of communication between European and American universities. An often heard argument is that American top-universities work where there is money. This argument, however, fails to take into account that American top-universities also work where there is strategy. A clear strategy could greatly contribute to the possibilities of cooperation.

The Manifesto Empower European Universities makes many good points. It tries to bring universities to policy; it pays due respect to mission differentiation; it purports the ideas of an equilibrium between education and research, and internationalization of universities. However, in the view of Prof. Gago, the detailed, descriptive idea of how universities should be governed is out of proportion. What is called "point of accumulation" in physics exists in the Manifesto as a scoreboard is to be built. Risks are involved in this. If the scoreboard is powerful, it can be "THE scoreboard of the decade", but if not, it is just one more scoreboard, which can receive very little attention. This is a big price to pay, given the effort to be put. Furthermore, scoreboards are for the next ten years. EEU must be able to look to a longer term as well.

Comments on the speech

Prof. Marijk van der Wende: "The grand challenges for Europe can be steam for our agenda"

Prof. Marijk van der Wende is Dean of the Amsterdam University College

Education is moving increasingly to the center of attention of policy makers. The OECD has turned to education in the last decades, which now gives rise to some of its most popular publications.

In the words of Prof. van der Wende, "the grand challenges for Europe can be steam for our agenda". Now, it seems that the economy itself is a challenge for the EU, together with higher education. All of these challenges raise fundamental questions about what should be included in the social contract of Europe.

The EU 2020 strategy considers higher education as a motor for growth, but with different possible focuses: skills, employment, research. European policy makers should focus on these aspects in themselves rather than striving for winning some sort of 'international competition'. Today there is an intense debate on the Jiao Tong Ranking of World Class University. We lack, however, knowledge on whether this kind of competition would improve higher education systems. We should focus on improving education and research, irrespective on where the top universities end up in the rankings.

If anything was accomplished by European higher education policy, it is the Erasmus. Even though, there are doubts on whether mobility is still possible under the current circumstances. Symmetric mobility (symmetric flows of students from and towards countries) does not seem to work when based on the free choices of students and agreed exchanges. The 'money follows students' approach can be a solution, but more thought and new ideas are needed. This shows that, in general, we have the duty to continuously generate new solutions if we care about the new generations and these solutions should be European.

To conclude, Prof. van der Wende quoted a student: "Gosh, Europe is breaking down before we had even the possibility to contribute to it."

Dr. Liviu Matei: "EEU is not about giving grades, but about giving voice"

Dr. Liviu Matei, Senior Vice President and Chief Operating Officer of the Central European University (CEU), Budapest

Good policy making is based on evidence and judgment; it checks for alternatives courses of action, and it assesses the impact of the ones it chooses. The EEU project makes us think about alternatives. It is "a policy initiative: it is not about giving grades, but about giving voice".

Enthusiasm about the EU is fading. Only ten years ago there was consensus on a number of themes. For example the knowledge society was a sort of ideological common ground across Europe and even

beyond. Recently, there have been examples of Romanian, Hungarian and Polish members of government stating that their country does not need so many students. If this opinion is agreed upon, then it must be concluded that "capitalism works not with human capital, but only with financial capital, with banks". Consensus on the importance of higher education is eroding. So, to revive the enthusiasm about the EU and its future, we need political alternatives, able to convince and to excite.

The framework provides countries with the opportunity for generating new insights and benchmarking. This can allow us to think differently and to identify opportunities.

Session 1 – 23 Nov.

Dr. Debra Stewart – "Quality needs to be sustained by an effective incentive framework"

Dr. Debra Stewart is President of the Council of Graduate Schools, Washington DC

Empowerment of the US higher education system is built upon four pillars: autonomy, enablement, motivation, and openness to the world.

The first pillar is autonomy. It is essential for the US university system, but its legitimacy needs to be continuously proved through the academic performance of institutions. This will most likely result in positive outcomes for students. The US higher education system is highly differentiated by having 20.4 million students, 1.4 million faculty, and 400,000 universities and colleges. This translates into a highly resource intensive enterprise. Because of its large scale, the quality of US high education is hard to sustain and monitor. The problem posed by quality assessment is solved by having broadly endorsed systems of accreditation run by nonprofit organizations. These associations bring together peers from comparable institutions to review and assess performance. Ultimately, quality is effectively measured in terms of how institutions have achieved their self-declared, yet mission related goals.

In terms of enablement, or the ability to act, US universities have the power to decide the metrics on which they are judged as well as to react to those judgments. Moreover, they can control all the key resources determining their success. These include buying and selling property, hiring and firing staff, and graduating or failing students. Additionally, US universities can seek support through tuition fees.

The third pillar of empowerment relates to the concept of motivation through an incentive framework. This is the key to performance and at the same time the most troubling aspect of how the US system is working. Quality needs to be sustained by an effective incentive framework and research funds are awarded based on competitive peer review. The peers share a common set of standards and values. From an agency theory perspective, the principal in this situation is the community of scholars in the field who articulate the values.

Regarding enrolment management, students pay tuition to the university and are therefore its customers. This results in a theoretically free market that ensures sustained quality. Public universities have accumulated annual revenue of 52 billion USD while private universities gather 54 billion USD. This market fails to ensure appropriate quality standards when there is no sufficient information for students to make their choices. At this point, accountability enters to ensure quality in an unregulated system.

The Federal government pays 73 billion USD annually to universities. Most of these are not for profit institutions (73%). For profit universities are a general concern as their completion rates are very low, within 7 and 17%.

Studies showed that the amount of time students spent studying has decreased by half and group learning seems to be less effective than individual learning. A low degree of connection between study and career has also been observed. This makes the entire accreditation process of utmost importance.

The final pillar of empowerment is international openness. Quality of US institutions is based on the assumption that research universities are open to the world. This is proven by the fact that 30 years ago, about 82% of all doctoral graduates were US citizens, while today this percentage decreased to 57%. This international openness fuels the research and performance of the US higher education system.

In conclusion, US universities are struggling with various challenges. Nevertheless, their capacity to manage these challenges as well as they do is rooted in the fact that they are empowered in exactly the way the present framework describes.

Reflections

Dr. Christiane Gaehtgens: “Empowerment without insight is not advisable”

Dr. Christiane Gaehtgens is the founder of Impact Consulting, Potsdam (DE)

The US has served as a model for what Europe is trying to achieve. In this context, autonomy is seen as the most important goal, and the way in which EU policy deals with institutional autonomy should therefore be reconsidered. The question posed by Dr. Gaehtgens is whether, in an extreme scenario, empowered universities can become a threat to EU policy or vice versa. Procedures for transparency should be looked into. Empowerment without insight into the way it is used is not advisable.

Dr. Balint Magyar

Dr. Balint Magyar is Governing Board member at the European Institute of Innovation and Technology (EIT), Budapest

Problems are not the same across US and the EU. Thus, a set of key empowerment indicators needs to be defined to make these systems comparable.

Dr. Balint Magyar expressed his doubts regarding whether there is a direct relation between empowerment and performance. However, defining a values system for the universities could still be a useful guide for university policies.

Policies should be tied to the autonomy categories mentioned in the empowerment framework. The categories of autonomy mentioned should be built on a corporate structure integrated within the university leadership.

Mr. Peter van der Hijden: "Students should vote with their feet"

Mr. Peter van der Hijden is Head of Sector Higher Education Policy in the Unit Higher Education - Erasmus of the Directorate of Education and Culture at the European Commission

Empowered students and researchers should be able to "move around and vote with their feet". If they do not like the education offered in one place, they should be free to move to another. This calls for reliable information that can only be obtained through independent data on assessing universities. Furthermore, in order to reach the target of increased research intensity the supply (training) of researchers should match the demand (recruitment) of researchers.

In 2012, the Commission will propose a European Research Area Framework and supporting measures to remove obstacles to mobility and cross-border cooperation. They will most notably seek to ensure quality of doctoral training, attractive employment conditions, gender balance in research careers and mobility of researchers across countries.

The goal of completing the project of a European Research Area (already envisioned in the Lisbon Treaty) by 2014 calls for the creation of a genuine single market for knowledge, research and innovation. This requires policy in support of open and fair recruitment, access to and portability of grants, publications, data, and infrastructure. National funds should cooperate for providing supplementary pensions and a European pension fund should be created, resolving pension problems of working abroad as a researcher. Furthermore, innovative doctoral training needs to be international, interdisciplinary, and intersectoral. The career structures in different institutes should become comparable.

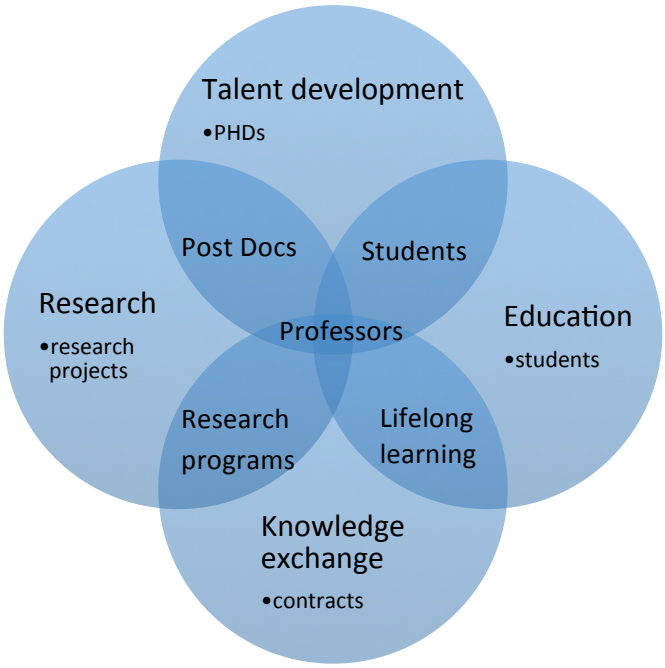
Session 2 – 23 Nov.

Prof. Lauritz Holm-Nielsen – "We have completely turned around the administration of our university"

Prof. Lauritz Holm-Nielsen is Rector of Aarhus University

Lauritz Holm-Nielsen, the Rector of Aarhus University analyzed how the framework in discussion has been employed in Denmark and how it has impacted the performance of Aarhus University. He started by acknowledging that the Danish higher education system has been in a state of confusion and that this led to quicker and more drastic reforms.

As a main point, Aarhus University leans on a balance of three cornerstones: students, staff and society. This has been coined as the knowledge triangle. The management focuses on responding to the challenges posed by two major trends, occurring in a time of change. First, there is an increased demand for knowledge at all levels: national, European, and global. This fueled the motivation for adjustments and revealed global, interconnected challenges which transgress disciplinary boundaries. Second, there is an emerging global market for research and R&D. Quality in research implies ever more internationalization, and cooperation among scientist and researchers working in different countries has become the norm. To respond to these challenges it necessary to find a deluicte equilibrium between all the activities and the goals of a university that wants to belong to the elite of top universities and to contribute to the welfare of society in a substantial way. As a result, many kinds of benchmarks are needed, together with a system of checks and balances. As a response, the Quadruple Helix University framework has been ideated:



This framework tries to connect the main functions of the institutions (talent development, education, knowledge exchange, research) with their particular needs and interactions. At the center of the framework are the professors. Academic autonomy is guaranteed to them, but they are also required to perform those tasks upon which the equilibrium between all the institutional activities ultimately depends.

Aarhus University asked itself the question: “Can we do better with the resources that we have, without waiting for more from Copenhagen or Brussels?”. As a result the academic organization was simplified, from 9 academic areas to 4 and from 55 departments to 26 departments. As for governance, leaders were appointed and joint responsibility was stimulated. The change process at Aarhus University encompasses the academic organization where governance is ensured by several separate administrations. The university has no administrative boundaries as there is only one common financial model operating on two levels of administration: the front and back office. Checks and balances are handled by four academic councils, one for each core activity: research, talent development, knowledge exchange, and education. Interdisciplinary centers are seen as the solution for the complex challenges faced by the university.

Aarhus University has achieved financial autonomy by diversifying its income structure. The internal cross subsidy of education from the research budget is at 3-6%. An external quality assurance through bureaucratic accreditation has ensured organizational autonomy.

In regards to access and openness, Aarhus University has contributed to creating a national innovation strategy for Denmark. An internal market for education exists, since the state awards grants which follow the students. Aarhus University furthermore stresses the importance of internationality: 1000 of 4000 courses are in English, there are over 100 agreements with universities overseas and it participates in world class research platforms.

To conclude, the framework represents a window of opportunity for change and modern universities should combine the features of the mass and elite universities alike. Nevertheless, the framework has a much too complicated agenda which runs the risk to yield too detailed prescriptions, which could not be put into practice without generating bureaucratic burdens for higher education institutions.

Reflections

Prof. Jan de Groof: "You are not dealing with a uni-versity, but with a multi-versity"

Prof. Jan de Groof is Professor at the College of Europe (Bruges, Belgium) and at the University of Tilburg (the Netherlands), and Government Commissioner for Universities (Belgium, Flemish Community)

The European Union attempts to improve education throughout the union. These efforts are aimed at the supply of education, supporting educational facilities and coordination of education throughout the union. The EU has however stated that it will not harmonize educational systems in the EU in order to prevent the establishment of a uniform educational system.

Three main areas seem to be most problematic throughout the union: mobility, quality and output. Prof. de Groof focuses on the first one in his presentation. Sources of problems regarding mobility arise from the differences in student tuition fees throughout Europe, different instruction and administration languages, accreditation systems, varying length of programs and other factors that could cause a difference between how a degree is considered in the host and home country of an international student. The solution to the mobility problem could focus a stronger grip on these factors by the European Union in the form of different rules and regulations in order to foster students' mobility throughout the European Union.

Europe would benefit from a more diversified and heterogeneous landscape of universities. This is possible, but so far there is a lack of innovation in this area. Boards seem to have trouble defining a mission. By defining what a particular university stands for it will be able to contribute more to regional development or perhaps development in a specific area. According to Prof. de Groof, the question must

be posed whether university boards are capable of generating the needed differentiation, and if they are competent enough. When scoring the empowerment of universities, a simple set of indicators of good governance is needed.

Prof. Martin Paul: "A governing structure without leadership will yield anarchy"

Prof. Martin Paul is President of Maastricht University

A governing structure without leadership will yield anarchy, the right level of leadership is very important. An emphasis on talent search and talent development within the organization when searching for leadership potential could yield results. Prof. Paul said to have become dean of the Charité Medical Center in Berlin "because the ones sitting to my left refused, and no one was sitting on my right". In some cases this strategy may not pay off: "we must look out more". Leadership of academic institutions should be academic-based, and it should result in better choices and a clear focus.

As universities become more empowered, there is also an increasing need for transparency. A lot of the university's resources are funded by taxpayers' money; therefore external transparency is a requisite for empowered universities. For example, if a university wants to do research, it must be top-class, and this requires making choices about which fields of research to focus upon. Since these choices can go wrong, universities must be transparent when taking them.

Session 3 – 23 Nov.

Luc Soete – "There must be socialization of knowledge"

Luc Soete is Director of the United Nations University Maastricht Innovation Research Institute for Innovation and Technology (UNU-MERIT)

Achieving "smart growth" is becoming more complicated in the light of recent developments and governments' tendency to focus on fiscal austerity. The focus of governments in this area differs across countries. Especially the focus on long-term versus short-term needs is important. The different prioritizations to long-term knowledge investments are very relevant. The goals of the Europe 2020 strategy should be adapted in accordance with the changes in the environment that we have recently seen.

An important development is the shift towards growth divergence between EU member states. After fifty years of European integration we see for the first time that the EU-15 countries are starting to diverge. New members are however still converging. . The question is how Europe can achieve smart

growth using EU innovation policies and structural change policies. Financial studies have shown that investment in knowledge is the only sustainable solution to the crisis. Political stability within the EU integration process requires convergence in growth. There is a need for institutions that address the tensions caused by the regional differences. Some of the tensions are also caused by differences in economic geography. According to Prof. Soete, countries located in the hearth of the Union gain more than others from the consolidation of the common market. This is exemplified by the fact that "ships leave from and arrive in Rotterdam", meaning that the flow of goods (and the associated income) throughout the EU is necessarily more intense in some regions than in others. Even if countries like the Netherlands and Germany can battle the crisis thanks to export, countries like Greece cannot.

A new, more realistic knowledge investment target is advisable. Prof. Soete proposes changes in the old Barcelona 3% R&D target. The target should not only focus on basic or business R&D but all components of knowledge investments, including lifelong learning and higher education. The proposed new 3% investment target includes public expenditures on R&D, and both publicly funded and privately funded higher education expenditures. This new target has as an advantage that it focuses on what policy makers and governments can influence directly. Member states may currently not even be close to reaching it; the target does offer political credibility.

There is a need for European common research policies. Typically, research funding is organized at the national level. However, the European scale is the logical scale for selection of excellence in publicly funded research. A European common research policy could be a catalyst for the increased progress of research efforts throughout the EU, yet focusing on local needs is advisable. Furthermore, research should be aimed at increasing livability whilst maintaining or even reducing the ecological footprint.

As public investments have recently been reduced we should pay increased attention to learning experiences among EU-countries. Best practices can support countries' mutual learning as national experiences can be used for development at a European level. Prof. Soete presented the example of lighting costs in the EU. These costs represent 19% of energy costs on average. Modern lighting techniques could reduce them by 90%. "Letting Philips light the Acropolis would give a signal throughout Europe that there is much to be gained in this area".

The spending on higher education as a percentage of GDP is highly differentiated throughout the EU. Similarly, some countries have a very large proportion of low skilled workers, while others have a very large proportion of highly skilled workers. Due to these differences in human capital at a national level,

some regions are less attractive, in general, than others for international companies. An example is Southern Europe where several possibilities for improvement exist. First of all, Southern European countries could adjust their real estate rules in order to become a more attractive option for companies. However, this solution is difficult to put in practice. Another solution could be that higher education is to play a more specific role. By moving the focus of the higher education sector to specific needs of other countries, or perhaps on a more global scale, Southern Europe could increase its overall attractiveness for international companies.

In conclusion, investments in the higher education sector in Southern European countries can yield, in general, much higher returns than in Northern European countries. The payoffs in terms of convergence are enormous. It is time exploit synergies in research and higher education through a common policy at European level.

Reflections

Prof. Tom Schuller: "Use information in a formative, valuable way"

Prof. Tom Schuller is the director of Longview, London

Using a percentage of GDP as a measurement of research and education levels can lead to distorted views on the situation if no form of benchmarking is used. A new model for European research and higher education should not disregard the input-side. It should also include the despriptions of how input is used and organized. Evidence based policy making is about creation of evidence and the expectation that a change based on this evidence will occur. It is about implementing causality in policy decisions. This causality relationship is provided by research. It is essential to use information in a formative valuable way.

Prof. Henning Schröder: "The establishment if a European treasury could solve part of the crisis"

Prof. Henning Schröder is professor of pharmaceutics at the University of Minnesota, Minneapolis

The European debt crisis needs long-term solutions. After the Revolutionary War in the United States there were some states with a lot of debt whilst some states were basically debt-free. President Thomas Jefferson proposed that the best solution to the problem was for the federal government to assume the state's debts. This implied that States like Virginia, who had managed their finances relatively well, had to pay for the debts of others. The compromise necessary for agreement between all States proved

difficult, but it resulted in the establishment of a national treasury for all states. Could this be possible for Europe as well?

A European national treasury would have the ability to pay for certain countries without having 27 states meddling in the process. It would be a powerful signal to the financial world and could solve a part of the crisis.

When reforming universities, Europe should be weary of the Matthew-effect, the hoarding of resources around the most successful institutes whilst neglecting the struggling institutes. Inclusiveness should be the first aim to be kept in mind when applying the EU 2020 strategy.

Conclusion: Prof. Jo Ritzen: "We are shooting a moving target"

Prof. Jo Ritzen is Chair of Empower European Universities (EEU), Maastricht

The situation of tertiary education in Europe is not as dire as it is sometimes presented, but there is a lot of room for improvement. The Scoreboard is not just an academic exercise; it is also a window into the opportunities that changes can bring. It furthermore attempts to find a way to translate these findings to politics, hopefully yielding true progress as a result. It can also be viewed as a benchmarking tool with annual updates representing how universities are performing.

Perhaps the current framework has a too strong focus on what is happening at a national level; in some cases an increased focus on a university-level could be beneficial. In order to have a good representation of reality it is important to take considerations on how to scale and how to weight measurements into account. The framework will be rewritten in accordance with the comments of this conference, at the same time data will be collected. The outcome can be used to evaluate the data. The aim is to have a first evaluation of government per country. A challenge for the analysis of the framework lies in the relative importance of each topic per country. A possible solution could be sharing of the views of all parties on all topics. Alignment of all correspondents' views needs to be achieved in order for the framework to work. Another challenge lies in the changing environment: in the words of Prof. Ritzen, "we are shooting a moving target".

EEU will use the data sensibly, and will work in close coordination with the European University Association and the experts collaborating with it when elaborating the results. Many data sources can be used, among other graduate surveys (for example, the Career After Higher Education Survey, or

CHEERS). It is astonishing to learn from these surveys that around 30% of graduates in Europe say that they wasted their time during their university career. This shows that there is a lot of work to be done.

In June an initial attempt to arrive at results will be made. This will probably not be very elaborate yet but it will give a preliminary view and, most importantly, it is already a big step forward from the existing knowledge.