

# Monitoring the impact of the economic crisis on European universities

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## Rationale

- Monitoring through **National Rectors' Conferences, national authorities** and **universities** themselves (questionnaire): Diversity of situations
- Financial crisis = direct consequences not majority for European HEIs but alarming signals (UK universities with big endowments)
- Need for monitoring as the crisis hits the real economy and becomes a longer-term downturn: what is the effect on European HEIs?

## Budget cuts in public funding

- Budget cuts seem more and more common, with special relevance in the New Member states
  - ✓ critical situation in Latvia ( Funding: 52% of originally planned budget, may decrease to represent only 35%) leading to salary cuts and layoffs)
  - ✓ also in Lithuania, Poland, Hungary
  - ✓ Other examples include Italy (expectations of cuts around 10%)
- Some countries have seen cuts before the crisis (Portugal)...
- ... or have discarded previous promises to increase public funding due to the crisis (Austria)

## Investements with benefits

- through economic stimulus packages
  - ✓ (shovel-ready projects in infrastructure, maintenance and renovation) – Germany, Norway
- through specific schemes
  - ✓ Denmark: government is to release extra funds for research that had been put aside in 2006
  - ✓ UK: €71 million “Economic Challenge Investment Fund” has been set up to enable universities to respond rapidly to the needs of employers and individuals during the crisis.
- through student aid
  - ✓ Increased scholarships (Spain)

## The big question mark: private funding

- A common concern: financial cooperation with private sector under threat (but confidence over the long term)
- Fundraising may be more difficult, as new sources of income become scarce: *a time for friend-making rather than fund-raising*
- Foreign students: an opportunity to make up for losses? (especially in countries whose currency has weakened)

## A proactive approach from the sector

- UK: « Standing Together » publication – communication campaign on the role of universities in the economic recovery
- Netherlands: VSNU's proposal to publicly fund the transfer of redundant private sector researchers to universities
- EUA's Prague Declaration recommends **European stimulus packages:**
  - ✓ to create real opportunities and incentives for young researchers
  - ✓ to tap unused potential through financing of lifelong learning
  - ✓ to upgrade universities' facilities and campus infrastructure





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European University Association

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- Tuition fee de/re-regulation?
- Shift to targeted funding
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Institutional  
strategy

Management  
skills training

Organisation

Processes

Communication

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