

Monitoring the impact of the economic crisis on European universities

Thomas Estermann
Senior Programme Manager
European University Association

HUMANE Seminar
Münster
25.04.2009

Rationale

- Financial crisis = direct consequences not majority for European HEIs but alarming signals (UK universities with big endowments and deposits in Icelandic banks)
- Need for monitoring as the crisis hits the real economy and becomes a longer-term downturn: what is the effect on European HEIs?
- Monitoring through National Rectors' Conferences (at least 16 countries): No clear picture emerges, several situations with interesting features.

...2...

Budget cuts in public funding

- Budget cuts seem more and more common, with special relevance in the New Member states
 - ✓ critical situation in Latvia (30% cuts, 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)

A proactive approach

- National Rectors' Conferences have been coordinating a proactive approach from the Higher Education sector in some countries
- UK: « Standing Together » publication – communication campaign on the role of universities in the economic recovery
 - ✓ Communicating on what universities do to boost local economy, graduate internships, graduate start up schemes, skills development fund, « enroll for free » schemes, advice & consultancy for business...
- Netherlands: Rectors' Conference proposed to take in private sector researchers whose job is under threat

The big question mark: private funding

- A common concern: financial cooperation with private sector under threat
- Fundraising may be more difficult
- Foreign students: an opportunity to make up for losses? (especially in countries whose currency has weakened)

EUA's position

- The **Prague Declaration** - to be presented to the 46 education ministers attending the Bologna process Ministerial Summit on April 28/29 - underlines **universities' role as a driving force for economic recovery in Europe.**
- EUA is calling for renewed efforts from governments to reach the Barcelona target of 3% (of GDP) **investment in research** and the 2% (of GDP) target for **investment in higher education** proposed by the European Commission.
- The Declaration recommends that **European stimulus packages** are needed to create real opportunities and incentives for young researchers; to tap unused potential through the implementation and financing of lifelong learning across Europe; and to upgrade universities' facilities and campus infrastructure.

...7...

Monitoring contact:

Feedback and updates are highly appreciated!

Thomas.Estermann@eua.be

Enora.Pruvot@eua.be