Modernising Europe's higher education systems

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PURPOSE: to propose a general framework to ensure the modernisation of higher education systems in Europe.

BACKGROUND: the Europe 2020 strategy, its Flagship Initiatives and the new Integrated Guidelines put knowledge at the heart of the Union's efforts for achieving smart, sustainable and inclusive growth; the Commission's proposal for the Multiannual Financial Framework 2014-2020 supports this strategy with a significant increase in the budget devoted to investment in education, research and innovation. This is because education, and in particular higher education and its links with research and innovation, plays a crucial role in individual and societal advancement, and in providing the highly skilled human capital and the articulate citizens that Europe needs to create jobs, economic growth and prosperity. Higher education institutions are thus crucial partners in delivering the European Union's strategy to drive forward and maintain growth.

Despite a challenging employment climate in the wake of the economic crisis, higher education represents a sound choice. **Yet, the potential of European higher education institutions to fulfil their role in society and contribute to Europe's prosperity remains underexploited.** While 35% of all jobs in the EU will require high-level qualifications by 2020, o**nly 26% of the workforce currently has a higher education qualification**. The EU still lags behind in the share of researchers in the total labour force: 6 per 100, compared to 9 in the US and 11 in Japan.

The main responsibility for delivering reforms in higher education rests with Member States and education institutions themselves. However, the Bologna Process, the EU Agenda for the modernisation of universities and the creation of the European Research Area show that the challenges and policy responses transcend national borders.

CONTENT: in order to maximise the contribution of Europe's higher education systems to smart, sustainable and inclusive growth, reforms are needed in key areas:

1. to **increase the quantity of higher education graduates** at all levels;
2. to **enhance the quality** and relevance of human capital development in higher education;
3. to create **effective governance and funding mechanisms** in support of excellence;
4. and to strengthen the knowledge triangle between education, research and business;
5. the **international mobility of students, researchers and staff** as well as the growing internationalisation of higher education, have a strong impact on quality and affect each of these key areas.

The Communication identifies **key policy issues** for Member States and higher education institutions seeking to maximise their contribution to Europe's growth and jobs. It also presents **specific actions** that the EU will take, bringing its added value to support the modernisation efforts of public authorities and institutions.

Measures proposed at EU level: the EU should make better use of the policy tools available in the field of higher education, in particular the European cooperation framework in education and training 'ET2020'. The Commission can support transparency and excellence through **evidence-based policy analysis.** It can support **mobility of learners, teachers and researchers.** It can support **strategic cooperation** between European institutions, and, in a context of increasing global competition for talent, provide a common framework to support the **interaction of European higher education with the rest of the world**.

As concerns funding, the Multiannual Financial Framework 2014-2020 will offer an opportunity to ensure that EU instruments and policies – particularly education, research, employment, entrepreneurship, migration and Cohesion – work together effectively to support the modernisation of higher education. The Commission, in focussing EU spending closely on the priorities of the Europe 2020 Strategy and on the key drivers of growth and jobs, has proposed a substantial increase in the budgets for education programmes and for research.

The kep policy issues may be summarised as follows:

(1) Improving data: the European Commission will:

- launch U-Multirank: a new performance-based ranking and information tool for profiling higher education institutions, aiming to radically improve the transparency of the higher education sector, with first results in 2013. By moving beyond the research focus of current rankings and performance indicators, and by allowing users to create individualised multidimensional rankings, this independently run tool will inform choice and decision-making by all higher education stakeholders;
- in co-operation with Eurostat, improve data on European higher education learning mobility and employment outcomes, and work towards a European Tertiary Education Register;
- provide specific guidance and recommendations on raising basic and transversal skills and overcoming skill mismatches;
- in cooperation with Member States and stakeholders, analyse the impact of different funding approaches on the diversification, efficiency and equity of higher education systems, as well as on student mobility.

(2) Promoting mobility: the European Commission will:

- improve the recognition of studies abroad, by strengthening the European Credit Transfer and Accumulation System (ECTS), proposing incentives in EU programmes to improve implementation, and working through the Bologna Process;
- propose an Erasmus Masters Degree Mobility Scheme (through a European-level student loan guarantee facility), operational from 2014, to promote mobility, excellence and access to affordable finance for students taking their Masters degree in another Member State regardless of their social background;
- in the context of the EHEA, contribute to strengthening synergies between the EU and intergovernmental processe;
- support the analysis of the potential of student mobility flows, including within the Bologna process, to take into account the judgements of the European Court of Justice, and of Quality Assurance standards to support the quality of franchise education;
- promote the European Framework for Research Careers to foster cross-border researcher mobility, helping researchers to identify job offers and employers to find suitable candidates, profiling research posts according to four levels of competence.

(3) Supporting the internationalisation of European higher education: the Commission will:

- promote the EU as a study and research destination for top talent from around the world, by supporting the establishment and development of internationalisation strategies by Europe's higher education institutions;
- develop relations on higher education with partners beyond the Union;
- make use of existing Mobility Partnerships to enhance and facilitate exchanges of students and researchers;

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consider proposing amendments to the students and researchers Directives, to make the EU even more attractive to talent from non-EU countries, and examine whether the processes and the accompanying rights should be facilitated and/or strengthened;

- strengthen the tracking of non-EU doctoral students as a percentage of all doctoral students, as indicated in the Performance Scorecard for Research and Innovation to measure the attractiveness of EU research and doctoral training to the rest of the world.

(4) Strengthening the long-term impact and complementarity of EU funding: EU investment in higher education is proposed to be channelled through three main funding mechanisms of the 2014-2020 MFF:

1. Education Europe: the single programme for education training and youth: to contribute to the Europe 2020 goals, the Commission will propose a single programme for education, training and youth, with simplified entry points and management. The programme will focus spending on priorities such as quality and innovation in teaching, enhanced links with the world of work, and better recognition of skills gained through mobility. It will contribute to the Bologna 20% mobility target.

2. Horizon 2020: the Framework Programme for Research and Innovation: the new Horizon 2020 programme will cover all relevant EU research and innovation funding currently provided through the Seventh Research Framework Programme, the Competitiveness and Innovation Programme and other EU innovation initiatives, such as the EIT.

3. Cohesion Policy instruments: in the 2007-2013 funding period, around €72.5 billion EU cohesion funding will be spent on education and training, and €60 billion on research and innovation. A strategic use of the **EU's Cohesion Policy** can significantly enhance the social, economic and territorial contribution of higher education. **The European Regional Development Fund** can invest in building or renovating higher education institutions, providing equipment and promoting digitalisation, and support incubators, spin-offs and other forms of university-business partnerships. **The European Social Fund** (ESF) can finance modernisation processes, increase participation and attainment particularly for students from under-represented backgrounds, enhance educational content and the match between programmes and labour market demand.

The MFF proposal for 2014-2020 allocates a minimum of €84 billion to the ESF, of which over **€40 billion** could be expected, based upon past experience, to be made available for education and training.