

Munich Economic Summit

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"Liberate European Universities from their Shackles"

Europe has been talking of the knowledge economy for years. Everyone has to study, be excellent and innovate. But in many parts of continental Europe universities and schools of higher education have become giant factories. The focus has been too often on increasing the number of graduates, instead of quality and differentiation. And nowadays, there is perhaps even a focus on too much quality research at the expense of quality education. The government too often finances studies that are socially desirable. Higher education is becoming entangled in bureaucracy and regulations.

Europe is facing a crisis in higher education. Although accessibility is a big achievement, there is also a danger of a culture of mediocrity and a lack of motivation in students and staff. French universities have no selection, overcrowded lecture rooms and dilapidated buildings and teaching material. The "grand écoles" are very selective and offer excellent education for future top managers, but limit entrance to a very small elite from a good background. Italian universities suffer from a straightjacket and nepotism reigns. Italian top researchers with Harvard degrees are sometimes defeated by insiders without a scientific reputation. German universities are troubled by bureaucracy, absurd hierarchical relations and gigantic student numbers. The archetypal German professor is all-powerful. This is detrimental to creativity and scientific research. Nokia in Finland finances top pure scientific research and concentrates itself on applied research. The top of international rankings is

dominated by Anglo-Saxon universities with an increasing presence of Chinese universities. Continental Europe has no presence in the top 50.

Top universities must attract top talent and carry out top scientific research. Meanwhile, many other European universities are in dire straits. Libraries have too few new books, there are hardly any modern computers, heating is often too expensive, lectures are regularly cancelled, and research budgets are under pressure.

Europe (with the exception of the UK) resists introducing or raising tuition fees, although the universities are pressing for it. But without higher fees and an Australian system of loans, it will not be feasible to close the funding gap with the US. With higher fees universities can finally really invest in quality and diversity: top training for top scientists and top training for practical studies, but also expensive education for those who really want to invest in their academic capital and cheaper education for those who are satisfied with a little less personal teaching. Naturally, some students will leave, but the most motivated will stay and that is a blessing for students and teachers.

Students belong to the most talented and subsidised of their age group and will earn more than their less clever contemporaries. Government subsidies should concentrate on getting the brightest pupils from underprivileged backgrounds a fair chance in primary and secondary education. Talented, motivated children from disadvantaged families will benefit extra from selection. They should not have to share lecture rooms with spoilt, lazy and uninterested well-to-do students.

It is remarkable that the best European students leave for top US universities if they get the chance even if they have to run up debts to do so. There, they get top research and top education from the best professors in the world and are prepared to

pay for it. The US higher education system has a lot more differentiation and competition than Europe. This stimulates quality of education and research.

European universities must be freed from ministerial straight-jackets. The government should fund studies such as musicology, anthropology and pure mathematics where the market does not offer an immediate return. Other fields of study must get a chance to compete with tuition fees that are justified by the quality of the education being offered. If the price is too expensive the ministry must not hinder competitors who offer a more attractive education for a better price.

It is crucial that institutions select the best students for their Bachelor and Master programmes, are able to set the salaries and contracts of their staff themselves, and are allowed to differentiate tuition fees per programme. Only then will real competition arise with the best rival universities in and outside Europe. Potential students will depart sooner to another domestic or foreign top programme if it is better. The Bachelor/Master system will contribute to this, as students can then switch to a better programme after three years. Only the best and most motivated students should flow into a Master programme.

The expression "excellence for all" is misleading and leaves no room for choices. Europe must distance itself from this principle.