



SPEECH

*** check against delivery ***

26 February 2008

DG EDUCATION AND CULTURE

EUROPEAN UNIVERSITY / BUSINESS FORUM

Brussels, 28 and 29 February 2008

Closing Panel session chaired by Odile Quintin, Director General DG-EAC

“Conclusions and perspectives for the future”

on Friday 29 February from 10.30 to 12.30

Albert Borschette Conference Centre, rue Froissart 36 – 1040 Brussels

Speaking notes for Philippe de Buck (20 minutes)

Introduction

Ladies and Gentlemen,

I would firstly like to congratulate the European Commission, and our Chairperson today, Madame Quintin, for this timely initiative to bring closer together the worlds of academia and business.

It is extremely important and a necessity today that we work together to review the way universities and education systems function so that their contributions to modernising labour markets are maximised. Enhancing cooperation and developing global partnerships between business and universities are key elements in shaping the way in which our societies invest in our future; how we educate our youth and how we optimise the research capacities of universities.

I very much hope that this Forum will become a regular opportunity to take stock of the ongoing development of cooperation between business and higher education.

Future European Labour Markets

I would like to start with an overview of the future of European labour markets. Adapting higher education to the global challenges of our societies is essential for developing knowledge-based economies.

With employment and job creation rates increasing steadily, and unemployment decreasing, one might assess that the overall picture is quite healthy. However, what these trends do not reveal is that productivity is not increasing at the same rate. In Europe we are not creating sufficient high productivity jobs.

Labour market projections show a significant increase in the future demand for higher skills. This is supported by the conclusions of CEDEFOP's report on skills needs forecasting launched just last week.

To reinforce and leverage our competitive advantages, we need to increase productivity in technology-intensive production and sectors. Therefore, improving Europe's higher education attainment is essential for our economic prosperity. It should be a key priority for policy-makers and all the actors concerned.

To do this we need not only to raise the bar in higher education attainment levels, but also to focus specifically on science, technology, engineering and maths disciplines. This applies to most of Europe where we are already experiencing shortages in these areas.

The evolution towards process-oriented and interdisciplinary work organisation increasingly requires employees to be adaptable, to develop problem-solving skills and to work in teams. The internationalisation of operations also extends the need to possess intercultural competences.

Graduates' employability has to become a key mission for universities and a main criterion of quality for future degrees, which will empower graduates to work independently in different professional fields.

Europe needs to invest more and more effectively in human capital if it wants to enhance productivity and innovation. Innovation is not only important in terms of goods and products but also in learning processes.

Higher education in a global setting

Competition in business is the main factor driving excellence. So, the EU needs to inject more competition in higher education systems. The knowledge triangle (research, education, innovation) needs to also integrate commercial awareness and providing individuals with an entrepreneurial mindset.

As we have seen in the European Commission's communication of 2006 on the equity and efficiency of education and training systems, the assumption that a free system of higher education is, of itself, efficient and equitable has been proven wrong. We therefore need to develop processes to measure the quality of investment.

EU countries invest on average 1.2% of GDP into higher education compared to 2.6% in the US. As a result, only one quarter of Europe's working age population has achieved tertiary level education compared to 38% in the US or 36% in Japan.

Europe is also faced with the problem of brain drain. Today, there are about 400,000 Europeans with scientific and technical education living in America. Nearly 10% of the 1.5 million people with a PhD in the US are EU students who moved across the Atlantic. Universities will have to compete on a global scale and must have the capacity to attract talent from Third countries.

In the 'Shanghai Ranking' tables, just 2 of the world's top 20 universities are in the EU. Outside the UK, none figure in the top 40. This tells its own story.
(Source: 'The Future of European Universities', Richard Lambert, N. Butler, 2006)

The Importance of Lifelong Learning

Overall, in Europe, we can say that the potential untapped benefits of cooperation between enterprises and universities are enormous – and this is an area where we must exploit the possibilities that exist

- for the performance of educational institutions;
- for the individuals, the students, the future business leaders of Europe;
- and for the well-being of companies

Cooperation between enterprises and all levels of education and training, not only in higher education but also vocational training and schools, needs to be intensified. This is because, as stressed by the European Commission, we are now seeing things through the perspective of Lifelong Learning.

We are in the process of redefining educational attainments in terms of Learning Outcomes – which is a competence-led understanding of what an individual is able to do – how the accumulated knowledge, skills, (and wisdom I might add) can be applied in a workplace context. Because in the majority of cases, those who come out of the education system go and work in companies – and they need to be ready for the transition.

This approach is crucial for improving the functioning of labour markets. Reinforcing the competitiveness of individuals is crucial, not only through theoretical but also practical education. Companies can help with this.

Lifelong learning built around the employability of individuals should be the foundation for future cooperation.

How can cooperation help?

BUSINESSEUROPE is now an active participant in the Bologna Process, and we agree that the themes identified for this Forum are the right ones. Without going into detail on them – it would take too long – I just want to highlight some points.

Dialogue between higher education institutions and business about the relevant labour market related competences and qualifications must be intensified. There are of course many different ways of achieving this and the means chosen must be tailored to local circumstances.

Universities firstly need a greater degree of autonomy in their governance structures, which is a necessary step to increase the efficiency of spending. Cooperation with business also needs to reflect the differentiation of study course profiles. Business also needs more and more highly ranked scientists having had a career in research facilities to come into companies to boost their research capabilities.

Priorities for research should be established through joint foresight involving the scientific community, society and industry, and implemented in ways that ensure the efficient participation of each community, encourage learning through competition, and aim always to improve quality.

Public and private investment in R&D has to increase. We need excellent, diversified research institutions embedded in the social and economic life of where they are based, interacting routinely with the world of business and engaging in durable public/private partnerships.

For example, the public/private partnership Jet-Net in the Netherlands focuses on stimulating greater interest in science education. Boosting the innovation potential of Europe and turning knowledge into growth can be achieved if business can cooperate more with autonomous universities.

BUSINESSEUROPE also looks forward to the realisation of the EIT (European Institute of Innovation and Technology). Europe and the wider world increasingly face challenges to which no one institute, organisation or country can alone provide the answer. The EIT offers a unique opportunity to link together the best minds in Europe with a view to responding to societal challenges. We hope that it will succeed in its goals.

Involvement of company representatives on advisory boards as well as the development of regular formal and informal communication channels with enterprises is needed. In Austria for example, the University Act has established University Councils where experienced business figures have a role in offering expertise and know-how on company needs but also on management, human resources, and advice on fulfilling strategic goals.

Establishing customer-oriented career service centres is also a good way to strengthen links. Such centres allow to remain in close contact with concrete demands, to analyse them and feed this information back to universities and their students.

They also establish a continuous link between universities, students, graduates seeking work and potential employers. They are also a useful tool to help identify individuals' needs for competences and to inform them or their employer of corresponding higher education programmes.

Employers can support employees by putting in place favourable conditions for lifelong learning and competence development, offering internships to students, and regularly providing universities with information on their competence needs.

Higher education institutions will have to adapt their offers to different kinds of students: young people, mature students and employees undertaking studies while working. Permeability between educational pathways should also be enhanced, notably opening access to those who hold a vocational qualification.

Courses should be adapted to provide students with essential generic cross-disciplinary competences – in addition to specialist knowledge. This includes proficiency in foreign languages, analytical skills, presentation skills, teamwork, the ability to reflect on one's career prospects, etc.

The international orientation of courses is indispensable. This includes foreign language segments as well as the widest possible integration of foreign teachers and a high number of foreign students.

Student mobility should be regarded as an integral part of study, and teacher mobility as a regular part of professional development.

Conclusion

Universities have traditionally played a vital role in generating and transferring knowledge. To meet the goals of the Lisbon Strategy and of modern societies, the mission of higher education must be more closely oriented to the reality of labour markets.

Increasing cooperation between the world of work and higher education, and acknowledging the shared responsibility of all actors, are necessary steps to ensure that individuals can continually refresh their skills and competences in a lifelong learning perspective, to improve both their personal and professional competences.

If they do not institute employability as a key goal, universities and other education institutions will not be able to give students the best knowledge, skills and competences for their professional career.

If they do not take the necessary responsibility for their own career development, individuals will reduce their labour market prospects.

Business, for its part, is prepared to play its role by deepening its cooperation with the higher education world.
