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DG EDUCATION AND CULTURE

EUROPEAN UNIVERSITY / BUSINESS FORUM

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**Opening Panel session chaired by Odile Quintin, Director General DG-AC
on Thursday 5 February from 11.00 to 13.00**

Charlemagne Building, Room GASP

Speaking notes for Philippe de Buck, Director General

Introduction

- We are meeting in difficult circumstances. The financial and economic crisis is hitting Europe hard. Important measures are needed to address the immediate consequences. At the same time, we should not lose sight of the long-term challenges facing European companies and workers. Many of the actions to secure Europe's competitive position in the global economy are linked to education and training in general, to the performance of Europe's higher education institutions and structures in particular and their relations with the business world.
- Joint efforts in developing global partnerships between business and universities play a key role in this respect. They are crucial to fully understand the new challenges for higher education and to find the right solutions. They are also crucial to foster innovation and research and development.
- I would like to highlight three main issues, which need to be addressed in order to be prepared to master the coming challenges: the importance of competences, the necessity to become more competitive in the global race for talent and the significance of technology and innovation.



1. Importance of competences

- Even in these times, if you ask businesses, you will hear that they consider the availability of competences as one of their biggest challenges. In many countries and sectors, companies cannot find much-needed highly skilled workers, such as engineers and IT specialists. This acts as a serious break on economic growth and hampers competitiveness.
- There is no doubt that the trend towards higher skilled and better qualified jobs will only continue. This is one of the main conclusions of the Commission's "New Skills for New Jobs" communication. Unfortunately, when looking at the proportion of people with tertiary level educational attainment, Europe's performance is still insufficient. The EU average (of people with tertiary level educational attainment) is only 23 percent, compared with 40 percent for Japan and 39 percent for the USA.
- Improving Europe's higher education performance will be a major step towards increasing its competitiveness. Let me give you a few concrete examples that are instrumental in this respect:
 - Policy-makers and all actors concerned should focus in particular on increasing the percentage of graduates with competences in maths, science and technology disciplines.
 - To contribute to this, companies for their part can help to better communicate what a job in these professional areas involves on a daily basis. They may also provide students with role models and show that a degree in maths, science or technology can potentially open up many more opportunities for careers than other educational pathways.
 - In this regard, it is also important address the need to increase the proportion of women taking up and qualifying in traditionally "male-dominated" disciplines.
 - We support the idea to create a European coordination body to promote new and already existing business-education initiatives for math, science and technology, and to drive best practices, as suggested by the European Roundtable of Industrialists in November 2008.



- In addition to specialist knowledge, courses need to be adapted to provide students also with essential transversal competences such as communication, entrepreneurship, teamwork and decision making, to name a few.
- Managers and entrepreneurs need to be involved in the decision-making bodies of higher education institutions. Business involvement would ensure that students' competences are in line with real business needs.
- A better guidance system developed in cooperation with business could help students make more suitable choices.

Action along those lines will improve the situation. It will also help to make Europe become more attractive and competitive in the worldwide race for talent.

2. Competition for talent

- Europe has undoubtedly good universities. With a few exceptions however, we miss the best. Higher education institutions and the business world need to create synergies to foster excellence in education and research. Students and personnel of higher education institutions need more exposure to the world of business. This would also help to facilitate the transition from education to professional life.
- The EU needs to inject more competition into higher education systems as this is the main factor driving excellence. To become competitive in a global setting, it is important now to strive for a greater degree of autonomy in universities' governance structures. More autonomy should significantly increase the efficiency of universities' spending.
- Increasing excellence will not only help to attract foreign students or researchers. It is also part of the policy response needed to resolve the considerable "brain drain" in Europe. 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.



3. Focus on innovation and technology

Having the brightest talent is essential to make full use of Europe's innovation and technological potential.

- The importance of innovation and technology for future economic growth is obvious. It is therefore right that in the current crisis, some recovery plans look at the promotion of future technologies. Past experience shows that countries increasing their investment in research in economic downturns have ultimately benefited economically as a result. Finland is a case in point.
- Research and innovation have key roles to play in meeting many challenges which European societies face. The results of investments in innovation might not necessarily immediately be visible. They have a medium to long term horizon. Without any doubt, they will help to foster growth and productivity when economic conditions improve after the current crisis. Enhancing the EU's R&D capacity depends greatly on how closely universities work with the business community, for instance by increasing knowledge transfer and temporary staff exchanges.
- Public and private investment, especially in R&D, needs to increase. We need excellent, diversified research institutions interacting routinely with the world of business and engaging in durable public/private partnerships.
- The future of EU competitiveness depends on better exploiting its innovation potential given the increasingly global competition for higher added-value activities. The European Year of Creativity and Innovation 2009 offers businesses and universities a good opportunity to contribute to and support the broad-based innovation strategy for the EU. In this context, this year should be used to intensify the dialogue on how cooperation between the world of enterprise and higher education can be enhanced to foster entrepreneurial mindsets among students and researchers. BUSINESSEUROPE is determined to play an active role in the European Year of Creativity and Innovation.
- We are also convinced that the European Institute of Innovation and Technology (EIT) can play an important role not only to further bridge the innovation gap between the EU and its major international competitors, but also to bridge the gap between universities and companies. We need to achieve excellence in teaching and research by fostering highly integrated public-private networks, composed of businesses, entrepreneurs, universities, research



institutes and technology centres. In this respect, we hope that those first Knowledge and Innovation Communities (KICs) will soon produce new innovation models and inspire others to emulate them.

Conclusions

- Universities will play an important role in view of the global challenges ahead. To meet the future needs of modern societies, the mission of higher education must be more closely aligned with the reality of labour markets.
- To succeed in the race for the brightest and to make innovation and entrepreneurship a priority is crucial to preserve Europe's economic prosperity.

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