

## **Response to the Consultation on the Future 'EU 2020' Strategy from Welsh Higher Education Brussels**

Welsh Higher Education Brussels (WHEB) is located in Wales House, Brussels, and was launched in March 2006. WHEB is a partnership, representing ten universities in Wales, one of the nations of the UK. It is also supported by Higher Education Wales (HEW) and the Higher Education Funding Council for Wales (HEFCW). Wales is home to two Nobel Prize winners in Medicine (Sir Martin Evans, Cardiff University in 2007) and in Chemistry (Dr. Robert Huber, Cardiff University in 1988).

One of the functions of WHEB is to brief the EU on the priorities of universities in Wales, and we therefore welcome to opportunity to respond to this consultation. The response was developed with input from the key stakeholders mentioned above.

### **Context**

WHEB, in consultation with HEW and HEFCW, has submitted responses in recent years to the EU consultations on the future of the budget, and on user-centred design. It has also contributed to the response of the UK Higher Education (HE) Europe Unit on the future of Community Innovation Policy and to the development of the UK HE sector position on the future of European research.

HEW has made clear reference to the Lisbon strategy in its evidence to the National Assembly for Wales on the contribution of higher education to the Welsh economy, and to the Welsh Assembly Government on its skills strategy. The need to develop higher level skills in Wales to exploit future employment opportunities and to invest in research and development was also underlined by the sector when it provided evidence to the National Assembly for Wales to support the case for the current Convergence zone within Wales to receive transition funding from 2014.

Recently the Welsh Assembly Government launched its strategy for higher education, *'For our Future'* which was based on a review of the HE sector in Wales. We fully endorse the emphasis given in the 2020 consultation paper to education and research, the development of human capital including access and lifelong learning as well as supporting a smarter, greener economy is in line with the key messages and recommendations for the HE sector in Wales.

The university sector in Wales has sent an expert to each of the thematic European University-Business Forums arranged by the European Commission since 2008. We provided a speaker at the recent Forum in Ireland on 'New Skills for New Jobs'.

We look forward to the next Forum in the Czech Republic on moving from crisis to recovery via university-business cooperation. Responding to the recession, universities in Wales are working closely with HEFCW on its £2m Economic Support Initiative (ESI). Universities are proposing a number of projects under the Economic Challenge Fund within the ESI to give specific and targeted support to individuals and businesses affected by the recession. GO Wales's new Graduate Academy programme, which gives valuable support to newly graduated and underemployed graduates, is currently being rolled out across universities in Wales.

### **Skills for the recovery**

In the post-recession economy, we need new sources of sustainable growth to replace the jobs and output lost in the economic downturn

The ESF and ERDF funded HE collaborative projects which the sector has begun to implement in Wales are designed to accelerate the transformation of knowledge into growth and new jobs.

These projects fit with evidence on emerging skills needs in Wales and across the EU. This indicates that the vast majority of net new jobs in Wales will be in occupations where the possession of high level skills is increasingly the norm. According to the UK Commission on Employment and Skills' latest Working Futures report more than 70% of net new jobs in Wales (defined as jobs that do not replace existing employment roles) in the period 2007-17 will be in managerial, technical and professional occupations where high level skills are increasingly essential.

The 'Race to the Top'<sup>1</sup> of the value chain in products and services is increasingly being matched by rapid and accelerating changes to the patterns of labour demand across the EU. The European Commission April 2009 Communication *New Skills for New Jobs: Anticipating and matching labour market and skills needs* states that "In EU 25, between 2006 and 2020, the proportion of jobs requiring high levels of education attainment should rise from 25.1% to 31.3% of the total".

A recent European Commission study *Environment and labour force skills* (December 2008) found that "a large number of sources seem to agree that the increase in demand for higher educated people also holds true for environment-related industries". Furthermore, the 2009 Welsh Assembly Government's *Green Jobs Strategy for Wales – 'Capturing the Potential'*

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<sup>1</sup> Title of the 2007 UK Government review of science and innovation policy

commits to supporting the future skills development and training of employees to better anticipate the future needs of businesses.

In addition, HEFCW funds the leading edge Low Carbon Research Institute bringing together six HEIs in Wales to undertake collaborative research, education and training on low carbon energy generation, carbon reduction and efficiency as well as the creation of an energy graduate school. Universities in Wales have clear research strengths across this area of vital importance.

## **Investment**

"Cutting spending in forward-looking areas such as education and research would make [the 2020 Vision] more difficult to achieve."

We strongly support the view that investing in education and research is vital for ensuring a sustained economic recovery. For every £1 million invested in HE by the Welsh Assembly Government in 2005/06, universities contributed £5.3 million to the Welsh economy. The latest indicators from the OECD in its publication *'Education at a Glance'* shows that the UK spends 1.3% of GDP on higher education which is below the OECD country average and significantly below the non-EU OECD member countries. We would support the new targets proposed by Prof Luc Soete, Chair of EC expert group on "The Role of Community Research Policy in the Knowledge-Based Economy". In his view, Member States should commit themselves to public expenditure of 1% of GDP on research and 2% on higher education by 2020. This would remove the 'uncontrollable' private sector expenditure element present in the current '3% target'.

FP8 funding from 2014 is likely to focus on tackling great societal challenges and curiosity-driven research at the frontier of knowledge. This is in line with the priorities set by the UK Research Council UK and the four key research priority areas set by the Welsh Assembly Government - namely health and bioscience, advanced engineering and manufacturing, the digital and low carbon economy. Tackling great 'societal challenges' and curiosity-driven research will require an increasingly multidisciplinary approach to research and innovation. Collaboration between the universities in Wales has led to new and innovative research centres such as the Research Centre for Visual Computing which aims to exploit the latest digital technologies and includes the production of computer imagery for science and entertainment, as well as understanding information in images and video. The investment of funds (especially including EU regional funds) in universities increases our capacity to undertake this type of research.

The link between funding and international research performance was shown in 2007 by the Brussels-based Bruegel think-tank. Its publication *Higher aspirations: An agenda for reforming European universities* (June 2008) stated that:

*In Aghion et al. (2007) we showed that the research performance of European universities, as measured by their Shanghai ranking, is positively correlated with their budget per student. We also found that the level of budgetary autonomy and research are positively correlated. Moreover, we found that autonomy and funding are mutually reinforcing factors: more funding has a bigger effect on performance in more autonomous universities. This finding mirrors results for the United States which show that the effect of additional spending on patenting is higher in states with more autonomous universities (see also Aghion et al. 2005). In this Blueprint, we stress that advocating autonomy is not tantamount to endorsing 'self-government'. In fact, we argue that significant external influence in university boards, as is the case in successful countries like the Nordics, Ireland, the UK and especially the Netherlands, is desirable.*

In respect of the proposal to benchmark European universities, and the proposition that raising the quality of universities would increase student mobility, we would support the statement of the UK HE Europe Unit on quality assurance prior to the November 2009 Council of Ministers meeting, that:

*If a ranking is validated at the EU level, it will gain significant importance. There is a real risk that HEIs in Europe will then gear their efforts towards complying with unavoidably limited criteria, rather than trying to maintain the holistic and much more effort consuming approach of building a true quality culture.*

"maximise and accelerate the practical benefits of research for Europe's businesses and SMEs – including through major public-private partnerships".

The recent Swedish EU Presidency stated that the Framework Programme can no longer cover in effect all areas of science and that it must be refocused on political priorities agreed through a transparent process. EU Science Ministers will mandate the CREST Committee of senior national science officials to set up this process in 2010. There will also apparently be Ministerial Conferences covering research, education and innovation and involving stakeholders. We believe that is crucial for the university community to be brought into such political decisions in this and other ways.

Ministers have also agreed to review the European Research Area-related EU funding programmes to improve clarity. We and others in the UK HE sector would welcome this.

Representatives of universities in Wales are in discussions to explore the creation of larger scale research and innovation partnerships between universities and industry. With appropriate government funding, these initiatives could supplement existing successful knowledge exchange initiatives in Wales. These already involve large and small firms working in various sectors, and contribute to Wales 'punching above its weight' consistently in the annual UK Higher Education Business - Community

Interaction Survey. The 2009 report by the special CBI Taskforce, *'Stronger Together: Businesses and Universities in Turbulent Times'* outlines a series of recommendations for greater collaboration to help raise the numbers and quality of graduates in science, technology, engineering and maths, to improve employability skills of graduates and to maintain world class teaching and research in HE.

Wales-based researchers in subject areas such as nanomedicine at Swansea University are involved in a number of European Technology Platforms, which are industry-driven and often have 'mirror groups' of national officials. In general we have found these to be useful fora.

## **Lifelong Learning**

"Lifelong learning needs to be much more accessible and universities should be more open to non-typical learners"

We support the recognition that the Commission gives to Lifelong Learning in the Consultation Paper and believe that it is important in turn to recognise the role of higher education institutions in providing lifelong learning opportunities for people of all ages and backgrounds. Wales has around 5% of the UK population, yet universities in Wales are responsible for 6.8% of all continuous professional development and continuing education learner days delivered in the UK in 2007/08. The majority of universities in Wales already provide bespoke courses for business in Wales at their workplace and nearly all provide businesses with distance learning courses.

Universities in Wales are already working collaboratively with the Sector Skills Councils (SSCs) and individual employers to meet the skills needs of businesses in priority areas. HE in Wales already has in place an exemplar system of recognising work based learning - the Credit and Qualifications Framework for Wales - making it easier for employees to progress to formal qualifications.

## **Conclusion**

"The Spring European Council in 2010 should set the strategy on its course for the next 5 years on the basis of a Commission proposal to be tabled in early 2010. The European Council should fix a small number of headline objectives, and define the corresponding policy actions to be pursued at EU and Member State level in partnership."

We fully endorse the need to define clear objectives for the next five years which are measurable and realistic. We believe that the role of higher education is fully recognised when drawing up the policy actions and that its opinions are taken into account in a transparent and open way.