Economic
and Financial Affairs
DIRECTORATE-GENERAL

EU 2007 DE

Brussels, 31.01.07 000295
ECFIN E2/

Subject: **Workshop on "Efficiency of spending on education and R&D", Brussels, Monday 12th March 2007**

Dear Madam / Dear Sir,

I am pleased to invite you to a workshop on "Efficiency of spending on education and R&D" organised by the Directorate-General for Economic and Financial Affairs of the European Commission jointly with the German Presidency which will be held in Brussels on Monday 12th March, 2007.

Conference venue: European Commission
Charlemagne Building - Room S1
170 Rue de la Loi
1049 Bruxelles

The objective of the workshop is to provide an opportunity for academics and policy makers to discuss how to better measure, compare and evaluate the efficiency of public spending in the domains of education and R&D.

There will be three sessions:

- The first session will focus on the link between growth, education and R&D. Recent findings suggest that knowledge is a crucial growth factor, in particular the development of human capital and R&D, which is important for innovation and the diffusion of innovation. However, in the light of the budgetary constraints, the efficiency of public spending on education and R&D needs to be considered more seriously.
- The second session will look at the methods and appropriate indicators to measure efficiency in education and R&D. The efficiency of public spending on education and R&D also depends on different environmental factors or framework conditions shaped

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: BU1 2/174. Telephone: direct line (32-2) 299.33.79. Fax: (32-2) 299.35.02. E-mail: Fabienne.Ilzkovitz@ec.europa.eu

by the economy or other public policies. This session aims to address this issue, since it is key for the interpretation of the efficiency levels.

- The third session will conclude the workshop with country experiences and will provide an opportunity for a discussion of the policy implications.

Please find enclosed the programme of the workshop. Due to the limited space available in the room, could you please confirm your participation by **Monday 26th February** to Margot Dumont (Margot.Dumont@ec.europa.eu)

Should you require more information concerning the programme or organization of the workshop, please do not hesitate to contact Ms. Ulrike Mandl per email at ulrike.mandl@ec.europa.eu or on the phone under + 32-2- 296-7441.

Fabienne Ilzkovitz
Head of the Unit E2

Enc. Programme

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: BU1 2/174. Telephone: direct line (32-2) 299.33.79. Fax: (32-2) 299.35.02. E-mail: Fabienne.Ilzkovitz@ec.europa.eu

Economic
and Financial Affairs

EU 2007 DE

Joint EUROPEAN COMMISSION/GERMAN PRESIDENCY WORKSHOP ON

Efficiency of spending on education and R&D

Date : **March 12th, 2007**

Venue : **Brussels, Charlemagne Building, room S1**
170 Rue de la Loi, B-1049 Bruxelles

Morning session

9.00 – 9.15 Registration and Welcome Coffee

Session I - Education, R&D and Growth **chair: M. Buti (DG ECFIN)**

9.15 - 9.30 **Welcome Address** by M. Buti (DG ECFIN)

9.30 – 9.50 **Key Note Speech** by A. de la Fuente (Universitat Autònoma de Barcelona)
Human Capital in a global and knowledge-based economy

9.50 – 10.10 **Key Note Speech** by J. Vandenbussche (IMF)
Growth, Distance to frontier and the composition of Human Capital

10.10 - 10.25 **Introductory presentation on Efficiency and Effectiveness of public spending**
F. Ilzkovitz, U. Mandl (DG ECFIN)

10.25 - 10.40 General Discussion

10.40 - 11.00 Coffee break

Session II – Methods to measure efficiency in education and R&D **chair: J-H. Schmidt (DG ECFIN)**

11.00 – 11.20 **Public spending efficiency in primary and secondary education: performance indicators**
D. Sutherland (OECD)

11.20 - 11.40 **Cross-country efficiency of secondary education provision**
A. Afonso (ECB)

11.40 - 12.00 Discussant: G. Psacharopoulos (University of Athens)

12.00 - 12.30 General Discussion

Issues for Discussion:
There are different definitions of efficiency that imply different methodologies and hence different outcomes.

1. What are the major problems to measure input and output? What kind of indicators could be further developed for future investigations?
2. Which methodologies should be used in order to measure efficiency while taking into consideration all other relevant factors?

12.30 - 14.00 Lunch Break

Economic and Financial Affairs

EU 2007 DE

Afternoon sessions

Session II (cont.) – Methods to measure efficiency in education and R&D
chair: I. Saragossi (DG RTD)

14.00 - 14.20 **Efficiency of public spending in support of R&D activities**
M. Cincera (ULB), D. Czarnitzki (KUL)

14.20 - 14.40 **R&D project evaluation: An integrated DEA and balanced scorecard approach**
B. Golany (Israel Institute of Technology)

14.40 - 15.00 Discussant: R. Veugelers (BEPA, KUL)

15.00 - 15.20 General Discussion

Issues for Discussion:
There are various instruments used to stimulate R&D activities: tax incentives, subsidies, public procurement, etc.. This makes it rather difficult to define input and output and measure efficiency.

1. What kind of methodologies should be used to measure efficiency in R&D?
2. What kinds of indicators are seen as appropriate to measure efficiency in R&D?

15.20 – 15.30 Coffee Break

Session III – Determinants & Measurement of efficiency in R&D and Education
Country Experiences **chair: Ch. Kastrop (German Presidency)**

15.30 – 16.30 Country Experiences

- **Introduction by the Chair**
- **UK on efficiency in education** (A. Pritchard, UKCeMGA)
- **France on efficiency in public support of R&D** (M. Langlois-Berthelot, French Ministry of Finance)
- NN
- NN

16.30 – 17.00 General Discussion

Issues for Discussion:
Cross-country investigations allow for rankings in efficiency scores and provide information on possible efficiency gains.

1. On the basis of country experiences, what are the most significant determinants that affect efficiency?
2. How can policy makers use this information and enhance efficiency in public spending?

17.00 - 17.15 **Concluding remarks by Ch. Kastrop**
German Presidency, Chair of the EPC Working Group Quality of Public Finances

17.15 **End of meeting**