

ROADMAP

Title of the initiative: **Commission Communication on the Modernisation of Higher Education**
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Lead DG: EAC/ C1
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Initial IA screening & planning of further work

A. Context and problem definition

(i) What is the political context of the initiative?

As acknowledged in the EU2020 Strategy, **higher education plays an essential role** in society by creating new knowledge, transferring it to students and fostering innovation. Institutions throughout Europe are working to modernise, both in terms of the courses they offer and the way they operate.

Europe has around 4,000 higher education institutions (HEIs), with over 19 million students and 1.5 million staff. Some European universities are amongst the best in the world, but the overall **potential of European higher education is not exploited in full**. Curricula are not always up-to-date, not enough young people go to university after finishing school and not enough adults have ever attended university. European universities often lack the management tools and funding to match their ambitions.

Governments and actors from the higher education sector are working to create better conditions for HEIs. The **European Commission supports EU Member States** and neighbouring countries in their modernisation efforts through policy initiatives, discussion papers and events, as well as through EU programmes promoting mobility in education such as Erasmus, Tempus, Erasmus Mundus and the Marie Curie Actions.

The modernisation agenda for universities formed part of the Lisbon Strategy for Growth and Jobs. Against this backdrop, the Commission (DGs EAC and RTD) issued a **Communication: "Delivering on the modernisation agenda for universities" (COM(2006) 208 final)** in 2006, which was welcomed by the Member States and the main stakeholders in higher education. This Communication set out nine priorities for reform, which can be summarised under the following three headings:

- **Curricular reform:** The three cycle system (bachelor-master-doctorate), competence based learning, flexible learning paths, recognition, mobility.
- **Governance reform:** University autonomy, strategic partnerships, including with enterprises, quality assurance.
- **Funding reform:** Diversified sources of university income better linked to performance, promoting equity, access and efficiency, including the possible role of tuition fees, grants and loans.

The new Europe 2020 strategy and, more specifically, the flagship initiative Youth on the Move, stress the need to **step up the higher education modernisation process**. The second action line of Youth on the Move focuses precisely on this priority, aiming at once to increase higher education participation rates and improve the relevance and performance of higher education systems as such. As part of this action line, the Commission proposes a renewed agenda for reform and modernisation of higher education. The proposed Communication would form an important part of this, by **taking stock of progress in higher education reform** and highlighting where challenges remain and **further progress is required**.

(ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

The **strategic framework for European co-operation in education and training ('ET 2020')**, adopted by the Council in May 2009, underlines the need to promote the modernisation agenda for higher education to improve the quality and efficiency of education and training. This framework strategy provides the basis for the Open Method of Coordination in the field of higher education (alongside other aspects of education and training), including ongoing implementation of the Bologna reforms¹.

In this context, the **Europe 2020 Strategy** highlighted education as a key policy area where collaboration between the EU and Member States can deliver positive results for jobs and growth. It included **Youth on the Move**² as the main flagship initiative in the field of Lifelong Learning and Mobility (with a strong focus on higher education) and a **Youth on the Move package**, including a draft Commission Communication and Council Recommendation, is scheduled for adoption in early autumn 2010.

The **Youth on the Move Communication**, which contains four main action lines, provides an additional strategic framework to guide Commission activities on higher education. The first action line "Promoting the attractiveness of higher education for the knowledge economy", reiterates the need to step up efforts to modernise higher education and proposes the adoption of a Commission Communication in 2011 to act as a *reinforced agenda* for higher education.

The proposed Communication will revisit the priorities set out in the 2006 Communication (COM(2006) 208 final) and report on progress to date. It will also highlight new or emerging challenges which need to be addressed (thus updating the previous Communication) and present examples of effective practice. The Communication will thus **build directly on previous work** and, by highlighting to Member States and stakeholders the continued importance of the higher education reform agenda, **support the objectives of Youth on the Move and ET 2020**.

The Youth on the Move Package, to which the proposed Communication is closely linked, will also inform the review of **existing learning mobility programmes**³ as part of the preparation of programmes for the new Financial Perspective.

In addition, the proposed Communication has links to the following:

- Council conclusions: in particular on the knowledge triangle (2009), on the social dimension of education (2010), on the internationalisation of higher education (2010)
- Council Resolution (2007) on Modernising universities for Europe's competitiveness in a global knowledge economy
- Opinion of the European Economic and Social Committee: Universities for Europe (2010/C 128/09)

(iii) What are the main problems identified?

The proposed Communication will form part of the Commission's response to the **need for reform** in European higher education systems (which can be viewed as a "strategic problem"). More specifically, the Communication will seek to respond to **a risk that efforts to reform**

¹ • The Bologna process (intergovernmental co-operation in Higher Education between 47 countries) aims to make tertiary level degrees and quality assurance standards more comparable and compatible throughout Europe and focuses primarily on reforms related to higher education curricula

² • Youth on the Move: aims to respond to the challenges young people face and help them succeed in the knowledge economy, by enhancing the performance and attractiveness of Europe's higher education institutions and raising the overall quality of all levels of education and training in the EU, combining both excellence and equity, by promoting learning mobility, and improving the employment situation of young people.

³ • Lifelong Learning Programme (in particular Erasmus, Leonardo da Vinci, and Comenius strands); Erasmus Mundus for international learning mobility and Marie Curie for the mobility of young researchers. In the period 2007-13, these programmes are making available in excess of € 13bn in support of learning mobility

higher education are reduced in the wake of the current economic situation and pressures on public finances, at a time when the need for reform is more pressing than ever (the "specific problem"). We review these two levels of problem in turn.

a) The Strategic problem

Given the closely connected roles of universities in education, research and innovation, the modernisation of higher education in Europe is pivotal in an increasingly global and knowledge-based economy. If Europe is not to lose out to global competition in the education, research and innovation fields, this crucial sector of the economy and of society **needs in-depth restructuring and modernisation**.

The *'Delivering on the Modernisation Agenda for Universities: Education, Research and Innovation'* Commission Communication identified **key challenges** facing European higher education systems:

1. European higher education is fragmented into (what are often) small national systems and sub-systems, without effective links and bridges between them. This still poses particular difficulties in terms of mutual recognition of qualifications: **Barriers between systems need to be broken down**;
2. National regulations are too often over-detailed, diminishing universities' responsiveness to changing learning and research needs emerging from markets and society: **Universities should have sufficient autonomy**;
3. Universities under-use the knowledge they produce because they and business still inhabit largely separate worlds: **More incentives are required for partnerships with business**;
4. Funding for universities is far too low compared to our major competitors, both in education and in research, due mainly to much smaller contributions from private sources: **Appropriate funding needs to be ensured**;
5. Europe's universities have a tendency to uniformity within each system/subsystem which has led to a good average level, but has limited access and failed to enable enough world-class research: **Excellence must be rewarded**;
6. Many universities are insufficiently prepared to deal with increased competition for students, researchers and resources in the context of globalisation: **European higher education must be made more visible and attractive in the world**;
7. Furthermore, access rates to higher education are still lower in Europe than in many other leading world regions, especially for adult learners: **Universities need to engage more actively with society and develop new approaches to lifelong learning**.

Despite some progress in relation to these problems since the 2006 Communication, recent studies on higher education reform⁴ illustrate that **much still needs to be done** in order to realise the ambitions set out in 2006. Furthermore, **new challenges** have emerged to a greater extent in recent years, of which the most important may be considered to be:

- increasing **demands from the users** of education to know more about its content and outcomes, and the expanded role of transparency tools such as rankings;
- an emerging focus on the **employability outcomes** of graduates both in curriculum design and in formal quality assessment procedures and funding mechanisms
- a stronger emphasis on the **social dimension of higher education**, including the need to reach out to non-traditional learners (eg. lower socio-economic status groups, ethnic minorities and migrants, people who wish to return to higher education later in life or combine it with working).

b) The specific problem

The recent economic crisis has increased pressure on public finances in the EU, with **cuts in higher education funding** already implemented or forecast in some Member States. At the same time, the range of challenges resulting from recent economic difficulties (notably the general state of government finances and increased unemployment) may **divert attention away from the priority of higher education reform**, leading to reduced impetus for, and concrete

⁴ For example, The Bologna Process Stocktaking Report (2009) http://www.ond.vlaanderen.be/hogeronderwijs/bologna/conference/documents/Stocktaking_report_2009_FINAL.pdf

The series of three independent studies on Implementation of the Bologna Process, Governance and Funding Reforms (CHEPS, 2010).

actions to implement, the reform process. These risks need to be countered if the higher education reform process is not to lose momentum.

(iv) Who is affected?

The main actors affected by the problems outlined above are:

- **Current and future students** at European higher education institutions (who experience difficulties in relation to issues such as access, relevance and quality of study programmes and recognition of qualifications);
- **Employers** (who experience difficulties recruiting graduates with the right skill sets);
- **Management and staff in Higher Education Institutions** (who may currently be constrained in adapting their operations and programmes as they would wish to).

(v) Is EU action justified on grounds of subsidiarity?

Education, Youth and Training Policy is an area where the EU has **supporting competence** as defined by the Treaty on the Functioning of the European Union (Lisbon Treaty).

The Treaty (articles 165 and 166) provides that *'The Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action'* and in particular, foresees that Community action shall be aimed at *'encouraging mobility of students and teachers, by encouraging inter alia, the academic recognition of diplomas and periods of study'*.

In general terms, the EU adopts a **twin-track approach** to this mission, a) through policy cooperation with EU Member States (based on the Open Method of Coordination), and b) through the implementation of the Lifelong Learning Programme which provides funding in support of mobility actions (i.e. Erasmus, Comenius, Leonardo, Grundtvig).

Within the area of policy cooperation, the Commission's main role is to **inform and support the work of the Member States** by undertaking policy analysis, highlighting where problems exist and suggesting possible solutions. The proposed Communication would fall clearly within this line of action, which is well established and conforms to the principle of subsidiarity.

(vi) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)?

The complementary role of the European Commission in promoting the modernisation of higher education is stressed in the strategic framework for European cooperation in education and training ('ET 2020'). While the modernisation agenda would certainly be pursued at Member State level in the absence of Commission intervention, the Commission is uniquely well placed to support and strengthen the European dimension of reform, notably by:

- Promoting the development of the **European Higher Education Area** to allow easy transfer between and comparability of national education systems, notably through such measures as the European Qualification Framework;
- **Monitoring and reporting** on progress made against existing reform targets in order to highlight where individual Member States are performing well and where further work is required;
- **Providing clear examples of effective reform / practice**, which may serve as inspiration for authorities and higher education institutions in other Member States.

(vii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?

By further promoting and highlighting the **existing objectives** of the European Higher Education Area and the modernisation agenda, **reporting on progress** to date and highlighting **outstanding and new challenges**, the proposed Communication is intended to send a **clear message** to relevant stakeholders and further reinforce the ongoing reform process in higher education. The Commission is best placed to formulate and communicate this message.

B. Objectives of EU initiative

(i) What are the main policy objectives?

At a **specific level**, the objectives of the initiative are:

1. To **raise the profile** of the higher education modernisation agenda and **stress its importance**, at a time when national governments face other serious challenges and difficult choices regarding public spending;
2. To provide a **clear and concise overview** of progress made in addressing the challenges faced by higher education in Europe already set out in the last Communication, ET2020 and elsewhere;
3. To highlight **new or emerging challenges** facing higher education, which have not featured prominently in previous EU strategic policy statements. These include the increasing need for transparency, the increased focus on employability and the social dimension of higher education;
4. To present (concise) **examples of how the outstanding and new challenges can be addressed** effectively in different contexts.

At a **strategic level**, the initiative should:

1. Ensure that higher education and higher education reform **remains high on the political agenda** at Member State level and reforms progress;
2. Support the process of **breaking down the barriers** around universities in Europe (including continued progress in the implementation of Bologna process reforms, increasing the proportion of graduates and researchers spending a semester abroad or in industry, and improving academic recognition processes);
3. Support the creation of real **autonomy and accountability** for universities;
4. Encourage provision of incentives for **structured partnerships with the business community**;
5. Promote provision of the right **skills and competencies** for the labour market;
6. Encourage **increased funding** for higher education and make funding work harder in education and research;
7. Promote enhanced **interdisciplinarity and transdisciplinarity**;
8. Help to make the European Higher Education Area and the European Research Area **more visible and attractive** in the world, including an EU internationalisation strategy

The initiative is conceived as a **supporting measure to reinforce and update the ongoing modernisation agenda** and highlight areas where further work (or future initiatives) may be required. At this stage, it is **not** intended to propose substantive new actions at Community level.

The Commission will continue to support the modernisation of EU higher education through a process of identifying and sharing good practice, and through its funding programmes for education, research and innovation: the Lifelong Learning Programme, the Seventh Framework Programme for research and development, the Competitiveness and Innovation programme, and the Structural and Cohesion Funds

(ii) Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

As noted, the initiative will reinforce and, to some extent, update the existing EU policy framework in the field of higher education. **It does not imply the development of policy in a new area.** However, it is clear that higher education reform occupies a strategic place in the Europe 2020 Strategy, as part of coherent Community action to develop a knowledge-based society.

C. Options

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered? (iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

The initiative has been conceived from the outset as an **update of the previous Commission Communication** on modernisation of higher education (COM(2006) 208 final) and alternative policy options have not been examined in detail. Nevertheless, from a formal perspective, the two main policy options available are:

1. **Continue existing activities** (maintaining the status quo). This would involve maintaining

the existing (2006) Commission Communication, the text of which remains relevant in many respects but is in need of up-dating.

2. **A new Communication** to update and refocus the previous Communication, taking into account developments over the last five years. This would include providing a concise review of progress made so far, identification of new challenges and presentation of effective solutions. This would reinforce the Commission's message that continued reform of, and sustained investment in higher education, is vital for the growth of the knowledge economy, in particular in the framework of the Europe 2020 Strategy. The Communication will set out the specific challenges in a 2020 perspective for higher education in Europe and how to tackle them.

Although a new Council Recommendation setting out specific reform fields or measures to be addressed or adopted by Member States is a formal possibility, this is not considered appropriate. This is because the objective of the proposed EU activity is to highlight and review a wide range of existing and new challenges in the field of higher education and, in so doing, provide a broad strategy document in the context of which future initiatives can be developed. A Council Recommendation would be more appropriate when more specific issues / fields are addressed and specific, concrete solutions proposed (as in the Youth on the Move Council Recommendation on mobility).

(iv) Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

The action proposed covers the policy fields of Education and Culture and Research. It is proposed that the text for the Communication is developed jointly by the two services. This approach has been agreed between the respective DGs.

(v) Explain how the options respect the proportionality principle.

The Communication is a non-legislative instrument. Moreover, no substantive new policy measures are foreseen. As such, we believe the action conforms to the principle of proportionality.

D. Initial assessment of impacts

(i) What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

Option 1: Continue existing activities

- Higher education process continues as at present, with associated risks that momentum is reduced in the wake of the current economic difficulties and conflicting priorities at Member State level.

Option 2: New Communication

- The higher education modernisation process receives additional attention at Member State and stakeholder level (with variation expected between Member States)
- Reform is either maintained (ie not reduced) or accelerated in the Member States where the need for reform is greatest (variation between Member States expected).
- New initiatives are taken at Member State level to address some of the "newer" (less traditional) challenges identified in the Communication (such as the role of universities in providing flexible lifelong learning solutions to those who have already begun their professional career or the role of distance learning in reaching more marginalised groups; more attention is given to enhancing transparency in profiles and performance of higher education institutions; institutions give more attention to employability aspects when designing curricula).

(ii) Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

The Communication will not have an impact on the EU budget.

(iii) Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

No

E. Planning of further impact assessment work

(i) When will the impact assessment work start?

It is not considered necessary to undertake an impact assessment for the proposed Communication. This assessment reflects that fact that:

- The new Communication would form part of an **ongoing EU policy agenda** on higher education reform, which has already been endorsed by the Member States, and constitutes an updating of the 2006 Communication
- The **objectives of the Communication** are to raise the profile of the higher education modernisation agenda, provide an overview of progress, and highlight new challenges and present examples of best practice. **No substantive new Community actions** will be proposed in the Communication.
- In light of the principle of **proportionate analysis**, an additional impact assessment would appear unnecessary.

(i) What information and data are already available? (ii) Will this impact assessment built on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when? (v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

The results of a number of completed or ongoing EU-level studies will inform the Communication. Among the most important are:

- European Commission (2009) Report on Progress in Quality Assurance in Higher Education, COM(2009) 487 final
- CHEPS et al. (2010) The Bologna Process Independent Assessment: The first decade of working on the European Higher Education Area
- CHEPS et al. (2010) Progress in higher education reform across Europe: Governance Reform
- CHEPS et al. (2010) Progress in higher education reform across Europe: Funding Reform
- London School of Economics (forthcoming: February 2011) Feasibility study to examine the potential need for a Student Lending Facility at European Level
- U-Multirank Consortium (forthcoming: May 2011) Final Report of Multi-dimensional Global ranking of Universities feasibility project

Which stakeholders & experts have been/will be consulted, how and at what stage?

The development of the Communication text will entail consultation with representatives of relevant stakeholder organisations, including representatives of higher education institutions (including the European University Association), representatives of students, representatives of higher education staff and representatives of business and employers organisations.