

Press release: Friday 10 October 2014

EUA 2014 Public Funding Observatory outlines trends in public funding to universities in Europe

The European University Association (EUA) today (10 October) publishes the 2014 edition of its Public Funding Observatory report, which monitors the impact of the economic crisis on universities and identifies trends in public funding to higher education institutions across Europe since 2008.

The latest report, that will be presented on Friday 10 October at the [EUA Funding Forum](#) taking place at the University of Bergamo in Italy, is published together with an [interactive online tool](#) which provides a range of updated data for 28 European higher education systems,* with five new systems added this year. The observatory analyses both the evolution of funding over the last year (2013-2014) and longer-term developments in university funding since 2008, also taking into account the impact of inflation, changes in student numbers, and the evolution in terms of countries' gross domestic product.

These are a selection of the report's main findings:

- **Data for funding in 2013-14 confirms a “mixed picture” across Europe:** Out of the systems where data was available, eight reported an increase in *nominal* public funding (Belgium – French-speaking Community, Hungary, Iceland, Netherlands, Norway, Poland, Portugal and Sweden); five a decrease (Ireland, Greece, Lithuania, Spain and the United Kingdom), with six in the “stable” (+1% to -1%) category.
However, when inflation is taken into account, the number of systems that have experienced a fall in funding rises to eight (Croatia, Greece, Ireland, Lithuania, Slovakia, Slovenia, Spain and the United Kingdom) while seven reported an increase (Belgium – French-speaking Community, Hungary, Iceland, Norway, Poland, Portugal and Sweden), and four are in the “stable” category.
- **Longer-term trends over the period 2008-2014:** When inflation is taken into account, at least 12 systems have cut funding by more than 5% (Croatia, Czech Republic, Greece, Hungary, Ireland, Italy, Lithuania, Serbia, Slovakia, Slovenia, Spain and the United Kingdom) – with overall cuts in some cases reaching more than 40% – while six have increased funding by more than 5% (Austria, Belgium – French-speaking Community, Germany, Norway, Poland and Sweden). Four other systems reported changes of between +5 and - 5%.
- The report highlights **an ever-increasing disparity between the highest and lowest funded systems in Europe**. The evolving geographical divide between European systems in terms of investment in higher education has also been confirmed: whilst there are notable exceptions, many countries in eastern and southern Europe still appear to be more affected by the crisis than many countries in northern and western Europe. This contrasting situation represents a “challenge for Europe as a whole, whose global competitiveness is harmed by such imbalances and weaknesses in the European Higher Education and Research Areas”.
- The report also notes that **investment in university infrastructure** will be particularly important in the coming years, given that this has been a common target for recent budget cuts. If this issue is not addressed, the increasing costs of upkeep for ageing buildings and

research facilities will negatively affect university budgets. Moreover, the student experience and attractiveness for research will also suffer, as learning and teaching resources deteriorate.

- National Rectors' Conferences indicate that in some countries, universities are expected to **supplement the shortfall in public funding with increased European funding from the new EU programmes**, such as Horizon 2020. However, the extent of the funding cuts in some systems means that it is simply not possible for universities to secure enough extra funding to make up shortfalls. In addition, budget cuts weaken their capacity to attract this type of competitive funding, particularly given the resources required. This trend makes "simplification" of financial and administrative rules of European funding programmes an even more crucial priority for the European policy makers. Furthermore, the report highlights there is a real incompatibility between that approach and the fact that some countries have been strongly advocating cuts in the EU research and innovation budget.

EUA reaffirms its position that funding for higher education institutions should not be seen by governments as expenditure but rather as an investment in Europe's future. Europe's global regional competitors are investing heavily in universities and the next generation of young people, who will be the innovators of tomorrow. Increased investment in higher education and research to mobilise the potential and capacities of present and next generations of young people, therefore, is the "sine qua non" for Europe to exit the economic crisis and achieve future prosperity.

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For more information, please contact Andrew Miller, Tel: +32 2 743 11 59, +32 473 748 785, email: andrew.miller@eua.be

The European University Association, as the representative organisation of both the European universities and the national rectors' conferences, is the main voice of the higher education community in Europe. EUA's mission is to promote the development of a coherent system of European higher education and research.

Notes to editors

- The Public Funding Observatory (PFO) report will be published on Friday 10 October, together with the updated online tool, on the PFO webpage: www.eua.be/publicfundingobservatory
- EUA has been monitoring the evolution of public funding to higher education institutions and the impact of the economic crisis on higher education systems in Europe since its onset in 2008 and has published several reports. Monitoring is conducted in close cooperation with EUA's collective members, the national rectors' conferences, which report on developments within their national higher education systems on a regular basis.
- *The terminology "countries/systems" is used in the report rather than "countries" because of the inclusion in the dataset of a number of countries where university funding is devolved. For example, in Belgium higher education is not a federal competence, therefore both Communities (Flanders and the French-speaking Community) report data separately and are therefore treated as two systems in the analysis.