

Press release: 10 June 2013

**New EUA Public Funding Observatory report and online tool
outline trends in higher education funding in Europe**

The European University Association (EUA) today (10 June) releases the latest 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. Today's report is launched in tandem with a new [interactive online tool](#) which provides a range of data for 23 European systems* and allows the user to look at developments in recent years in a customised way. Detailed country sheets with data for each system can also be downloaded.

The latest EUA update provides a new analysis of the pressures that many countries face in terms of funding for higher education institutions, in particular by taking account of the impact of inflation and changes in student numbers. The report confirms that while no system has been unaffected by the crisis, there is still a risk of a widening gap in terms of university funding between different parts of Europe. Many countries in eastern and southern Europe still appear to be more affected by the crisis than many countries in northern and western Europe although there are notable exceptions.

EUA has warned that this situation is unsustainable both for the affected countries and Europe as a whole. Reduced investment weakens countries' research capacities and knowledge base, and impacts negatively on the development of their knowledge economy. In addition, such divergent trends decrease the potential for cross-border academic and scientific cooperation and put the completion of the European Higher Education and Research Areas at risk. It could also risk provoking a "brain drain" of talented researchers from these countries and could make it harder for universities in these countries to participate in European funding programmes which work under the principle of co-funding (i.e. the university must provide funding alongside the European funding for projects). European Funding schemes, like Horizon 2020, therefore need to take account of these trends and establish appropriate funding rules.

The latest report looks at both the evolution over the last year (2012-2013) and developments since 2008.

- **Developments from 2012-2013 portray a "mixed picture" across Europe:** Out of the 17 systems* where data was available, nine actually reported an increase in funding (Austria, Iceland, Czech Republic, Norway, Poland, Sweden, Belgian French-speaking Community, France, Lithuania), while eight reported cuts which range from small cuts to up to 25% (Italy, Netherlands, Slovakia, Croatia, Portugal, UK – England and Wales, Greece, Hungary). In systems which reported cuts, **staff and infrastructures** were the two areas most affected. In countries where research funding has been reduced, **universities hope for more EU funding** to maintain research activities and infrastructure development. The report underlines that EU funds are not supposed to provide substitutes for national funding schemes, which need to remain strong to uphold Europe's competitiveness.
- **Trends from 2008-2012 and the impact of inflation:** EUA's report shows that inflation has a significant impact on the financial situation of universities and therefore should be taken into consideration when assessing the financial health of the sector as a whole. When adjusting

the public funding figures for 2008-2012 for inflation, for many countries a more serious picture is revealed. Inflation worsens the effect of funding cuts and mitigates the effects of a funding increase. Therefore when looking at the inflation-adjusted public funding figures only seven systems* out of 20 have a better funding situation in 2012 than in 2008 (Germany, Norway, Sweden, Austria, Belgian French-speaking Community, France, Netherlands), while 13 systems have a lower funding level in 2012 than in 2008 (Croatia, Poland, Portugal, Slovakia, Czech Republic, Spain, Greece, Hungary, Ireland, Iceland, Italy, Lithuania, United Kingdom – England and Wales).

- **Funding and GDP:** The report also analyses the evolution of public funding to higher education institutions as a percentage of GDP for the period 2008-2013. In 18 countries/systems studied, eight had in 2013 a higher investment as a percentage of GDP than in 2012 while 10 had a lower investment.

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, and that investment in HE and research is a way to help European countries out of the crisis.

Within this difficult economic context, EUA is also taking forward its work on funding and financial sustainability with its recently launched DEFINE* project, which is looking at funding efficiency mechanisms in the higher education sector: www.eua.be/define

The public funding observatory tool and report can be viewed here:
www.eua.be/publicfundingobservatory

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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

- 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 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 the Belgian French-speaking Community (BE-fr), and of the United Kingdom (England and Wales) – no data was collected for Flanders nor for Scotland.