

Economic impact of the Flemish universities

4th EUA Funding Forum – Barcelona 2018

Koen Verlaeckt
Secretary General
Flemish Interuniversity Council (VLIR)

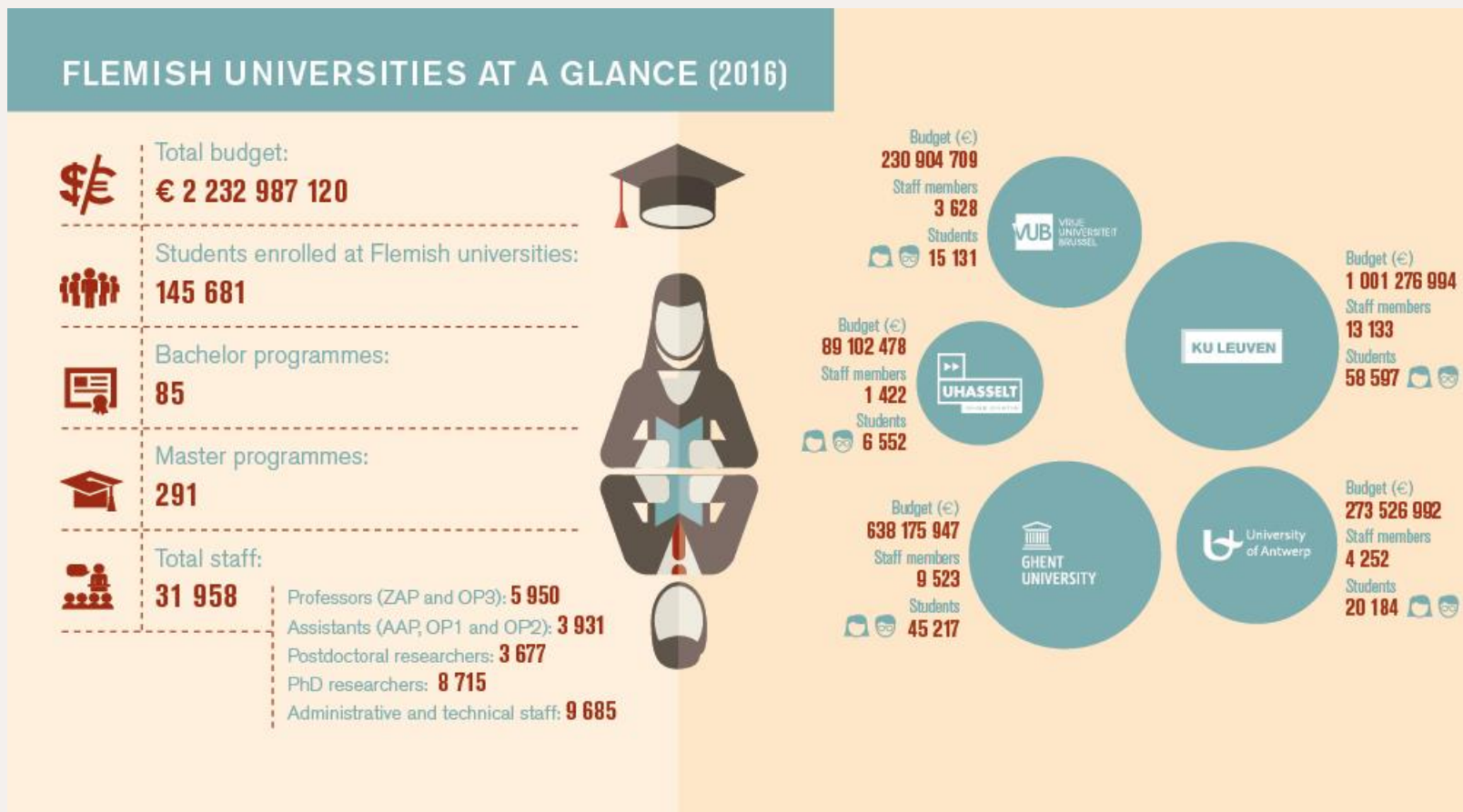


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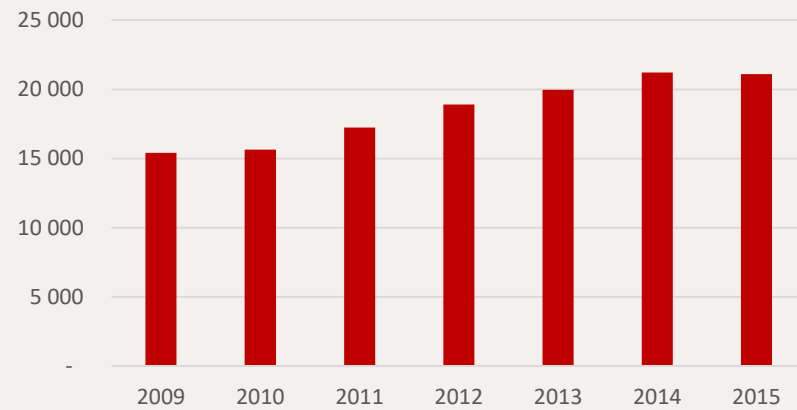


Flemish universities at a glance

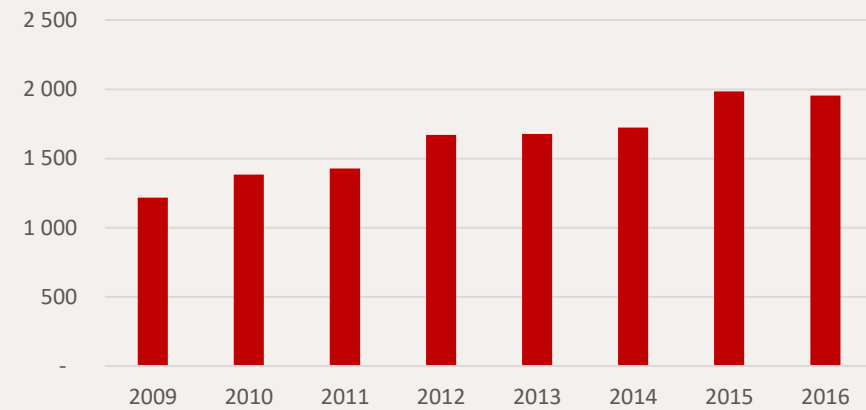


Excellent results ...

Publications (WoS + VABB)

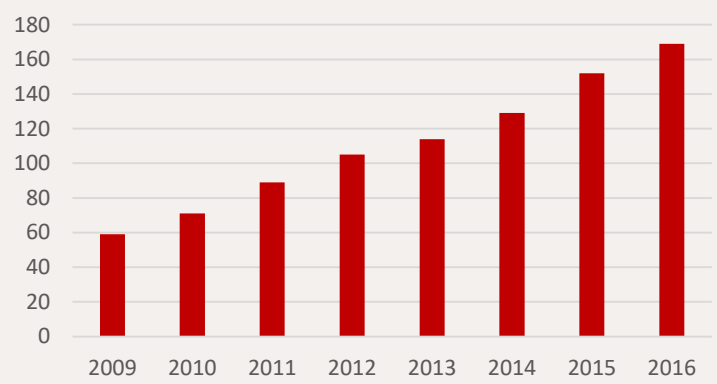


PhD degrees

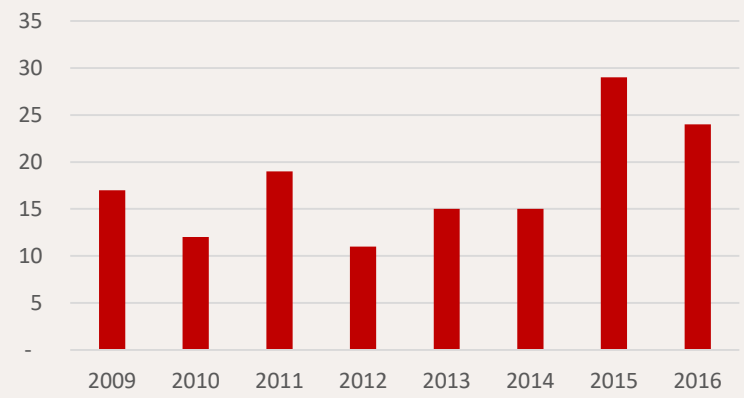


Excellent results ...

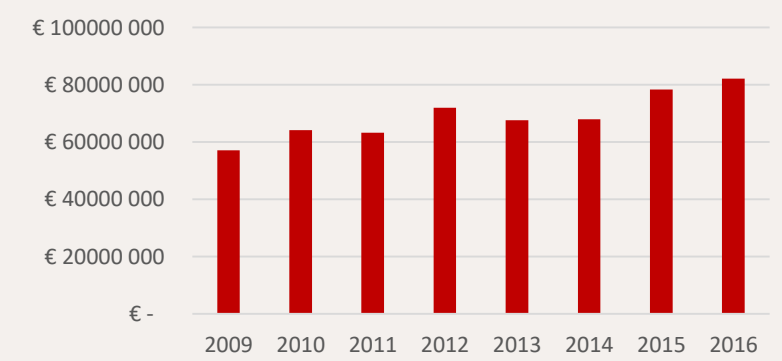
Patents



Spin-offs

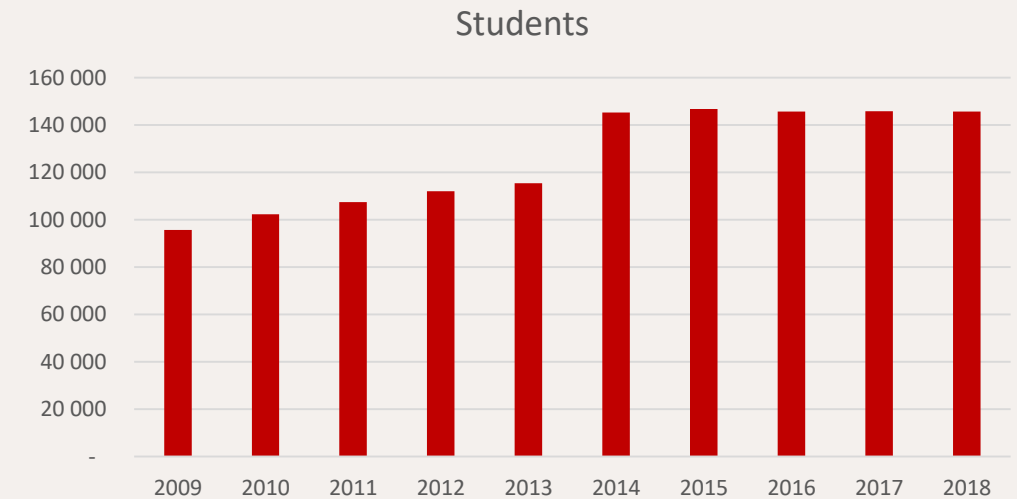


Industrial research income (in EUR)



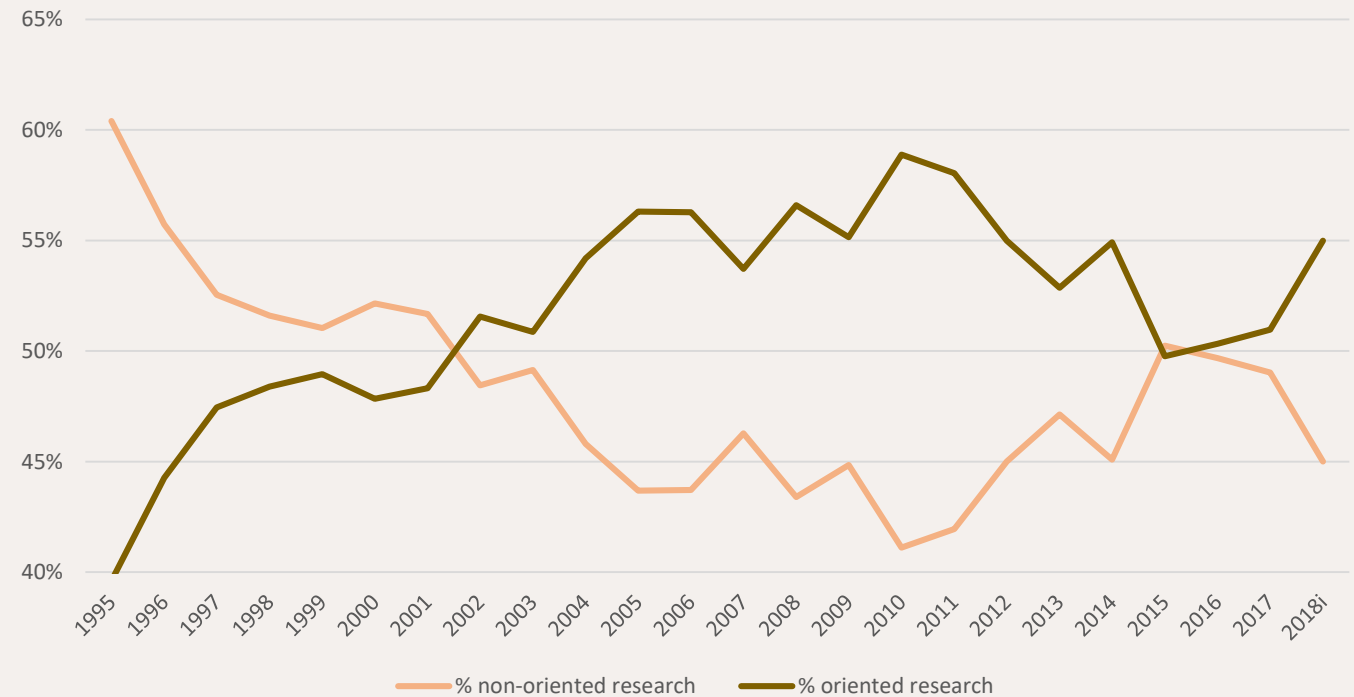
... but system under growing pressure

- Structural budget cuts – loss of 64 mio income between 2011 and 2018
- Partial indexation of core funding – loss of 293 mio income between 2008 and 2018
- Structural underinvestment in infrastructure (government grant only covers 22% of the needs)
- Growing student population



... but system under growing pressure

- Federal pension reforms
- Government decided on a growth path for R&D (towards 1% GRP), but:
 - Less emphasis on non-oriented research
 - Growing focus on applied research with tangible short-term economic output/impact



Measuring impact

- Inspiration: presentation of the University of London at the EUA Funding Forum in Porto
- Study by BiGGAR Economics (December 2017)
 - Commissioned and funded by the five Flemish universities
 - Scope: the economic contribution of universities in 2016
 - Out of scope: management schools, university hospitals and strategic research centres



About methodology

- The economic contribution is expressed in terms of Gross Value Added (GVA)
 - GVA is estimated by subtracting the non-staff operational expenditure (mainly goods and services) from the total income of universities.
- Universities generate incidental (39% of GVA) and purposeful (69% of GVA) benefits to the economy



Results

- Incidental benefits arise from the core business of employing staff and delivering services
 - Core contribution (expenditure on supply chain, infrastructure, capital and staff): 2.9 billion EUR in GVA + 50,180 jobs
 - Student contribution (expenditure, employment, volunteering): 0.9 billion EUR in GVA + 10,320 jobs
 - Tourism contribution (friends and family visiting): 8.2 million EUR in GVA + 80 jobs



Results

- Purposeful benefits arise from the value of the services delivered by universities (driving innovation and production growth):
 - Valorisation (licensing, spin-offs, access to research infrastructure, R&D services to businesses, science parks, ...): 2.6 billion EUR in GVA + 31,210 jobs
 - Graduate premium: increased earnings over a lifetime that stem from educating people to degree level): 3.4 billion EUR of GVA (on the basis of 37,400 graduates in 2016)



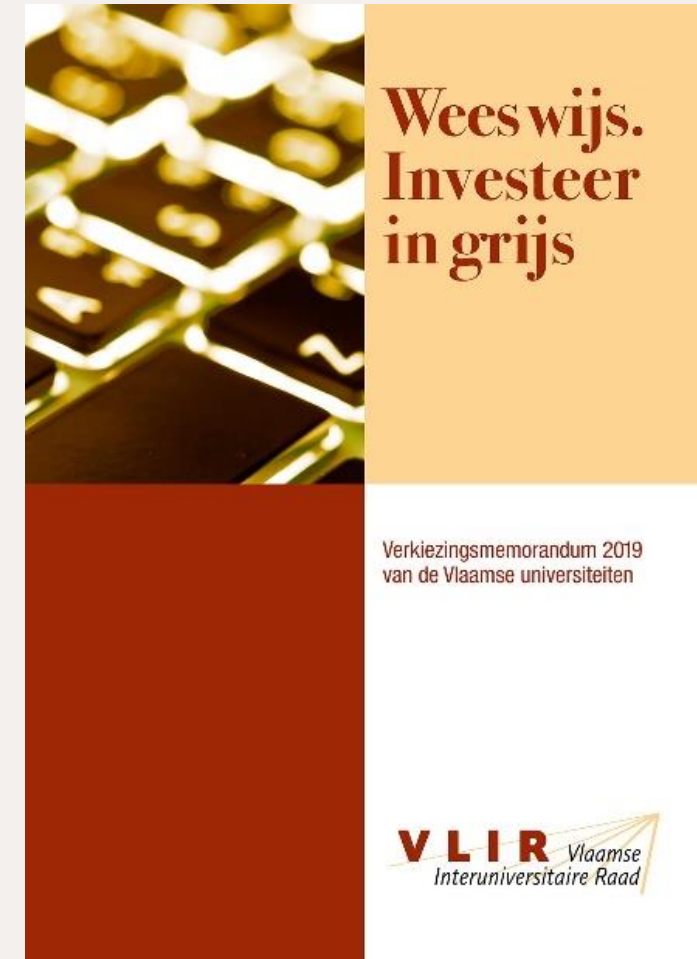
Results

- Total economic contribution of Flemish universities:
 - 12.0 billion EUR of GVA to the European economy, supporting 121,800 jobs
 - 9.8 billion EUR of GVA to the Flemish economy, supporting 91,800 jobs



Spreading the message

- Presentation of the economic impact study in December 2017, including a debate with stakeholders
- Input for the 2019 election memorandum of VLIR (presented on 26 September 2018)



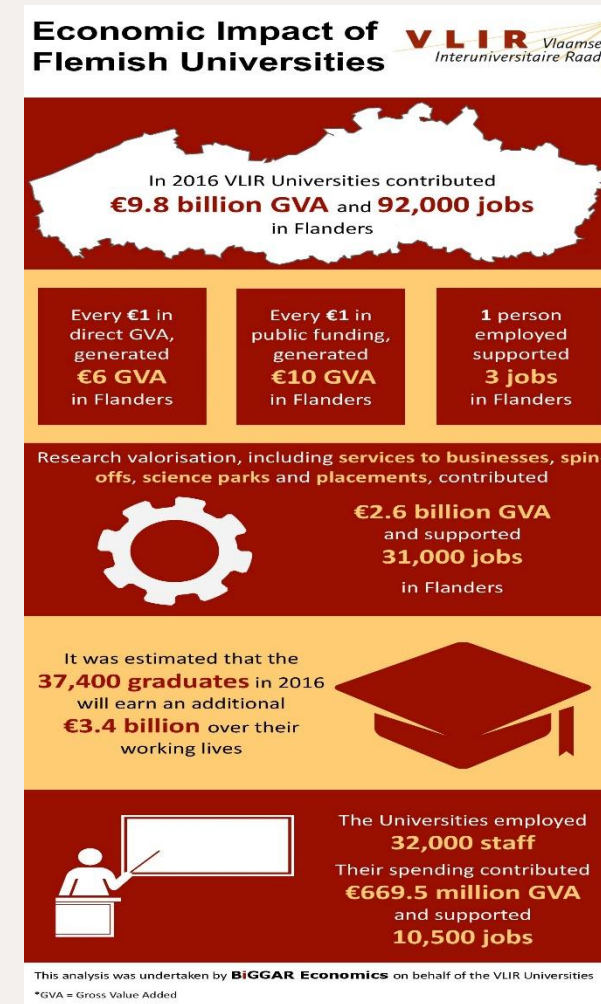
Concluding remarks

- The study provides valuable input for the policy dialogue with a view to the 2019 elections in a context where:
 - some claim that too much public money is spent on universities, urging to find other sources of income (raising tuition fees, more collaboration with industry, ...)
 - growing concerns about the competencies of secondary education students sparks the suggestion to increase the funding for secondary (and even primary) education and to diminish tertiary education funding
 - the business community wants universities to focus much more on applied research and short-term innovation



Concluding remarks

- The study does not map the societal impact of universities, which can only be done in a qualitative way
- Well-chosen one-liners/graphs grab the public attention, policy-oriented reports don't



Thank you for your attention !

www.vlir.be

koen.verlaeckt@vlir.be

twitter: @verlaeko

