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# EUA Funding Forum: Efficient universities: value for society

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Preliminary report

Porto, 5-6 October 2016

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# Structure of the report

- EUA Funding Forum: coming to age?
  - Main findings/conclusions from Porto 2016
  - Lessons and recommendations
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# Relevance of the Funding Forum

- Provides a *unique* meeting place for various actors and stakeholders: university administrators, student representatives, policy makers at regional, national, and European level, researchers, student and trade union representatives, professional organisations, etc.
  - Allows participants to learn about challenges, new trends, developments, problems, approaches to addressing them, instruments; helps confirm intuitions or positions; facilitates discussions about what works and what doesn't, about gaps; combined hands-on administrative experience, advocacy work, and research in the area of funding (national, cross-national within Europe, international)
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# The EUA Funding Forum started as a surprising initiative

- Funding was (is) not formally part of the European space for dialogue in higher education (Salzburg 2012 conclusion).
  - No other structures to support a sustained European-wide dialogue on funding in higher education.
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# Achievements

- Main achievements of the Forum to date:
    - proved the usefulness of and the need for a European dialogue on funding (Bergamo 2014, conclusion).
    - beyond just dialogue, the Forum stimulated important work (policy research, advocacy) in the area of funding; new instruments created (e.g. the Public Funding Observatory, a unique tool of great value)
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# The European Funding Forum – is it coming to age?

- Porto 2016 conclusion: the EUA Funding Forum was not a one-off initiative; it developed as a stable, sustainable one. A lasting European Forum?
  - A great service provided by EUA to its members and the broader higher education sector in Europe.
  - Not clear how it will evolve in the future- a good potential for ageing (like a good Port!).
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# 3<sup>rd</sup> edition of the Funding Forum

- 180 participants
  - 30 countries (and Japan)
  - Focused on **efficiency in universities**
    - but not just efficiency: **efficiency in providing value for society**
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- Why focus on efficiency?
  - Why discuss (again) how universities produce value for society, and what value?

Interesting findings and conclusions, and also recommendations from the Forum (answers to these questions).

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## Main findings: factors and developments in the broader policy (and political) environment

- Salzburg 2012, Bergamo 2014- main factor: the (aftermath) of the economic crisis and great recession and beyond (“times will never be the same again” for universities).
  - Porto 2016: slow and uncertain economic recovery, still; fractures in Europe (Brexit) and uncertainties about how they will affect the future of Europe and universities in particular; changing policy narratives; uncertainty about funding
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## New developments in the policy environment (atmosphere?) impacting universities

- Are universities moving towards the periphery of the public agenda in some European countries and also as part of the official EU discourse?? (e.g. no mention of higher education and research in the most recent state of the union address).
  - Or just a syncope?
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- The idea that universities do and must provide value for society (mainly for economic growth and social cohesion) was taken for granted in previous years (e.g. Lisbon agenda). Universities have been put at the center of the policy agenda, and the question was only whether universities produce **enough** value.
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- **Currently, a trend seems to emerge towards forgetting, ignoring or contesting that universities provide value for society.**

**If true – it will have important consequences**

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# Other findings regarding:

- institutional, national, and European policies and practices
  - in the area of public (national and European) and private funding
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# 1. Lack of conceptual clarity regarding efficiency in higher education

- Lack of conceptual clarity among both policy makers and university actors (see the results of the online poll and focus group).
  - Underdeveloped concept/lack of clarity have important policy consequences; wrong principles and approaches (e.g. efficiency means “doing more with less”, conflating efficiency and effectiveness), wrong or half-backed policy incentives; inaction in universities.
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## 2. “Less Europe” will affect universities

- The European supra-national framework protects universities, at least to some extent, from distribution of funding that is based on counterproductive political (national or local) considerations, rather than on competitive merit. Transferring the distribution of funding back to the national level (in the wake of Brexit, potentially not only in the UK) will reduce or get rid of this protective shield.
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- We are witnessing a process of increased encroachment into the university autonomy in several European countries. The European trans-national framework helped HEIs gain, preserve, and assert autonomy. Less Europe might result in less autonomy.
  - Restricted autonomy, in turn, will affect the capacity of HEIs to act efficiently. **A new reality? How to address it?**
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### 3. More efficiency with less autonomy and less funding?

- Reduced public funds for universities appears to be accompanied by a tightening of the regulatory grip of the state.
  - Not possible to achieve more efficiency with less autonomy and funding. “We need autonomy to raise and allocate resources”.
  - How/who to react?
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## 4. New tools, mechanisms to pursue efficiency (in delivering value!)

- New forms of organization, **including new legal status**: mainly to support increased autonomy, and thus efficiency in delivering value for society (e.g. **public foundation status**).
- **Mergers** (even spontaneous) – new ways for delivering value (not just economies of scale).
- Strategic partnerships – need to develop.
- **A great potential, underexploited as yet: genuine, stable networks of universities and other institutions.**

## 5. The outlook of public funding in Europe (national) –PFO monitoring data

- Severe decrease in public funding in several European countries.
- In spite of constant or nominally increased funding in the other countries, the dominant trend is toward decreased funding, when inflation and student enrollment are factored in. **A worrying trend with no end in sight? A new reality to live with?**
- Pronounced move towards performance based funding (Austria, France discussed)

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## 6. The value and shortcomings of the European funding

- The European funding remains a crucial component of the funding of higher education activities (teaching and learning, research, outreach).
  - EUA studies (membership consultation) point to **high effectiveness but also new and continuing inefficiencies** (e.g. low success rate in H2020 applications resulting in high cost of waste of resources, increased bureaucracy, lack of coordination).
  - Looking with optimism to the mid-term review?
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## 7. Potential for attracting funding from private foundations is untapped

- Europe is experiencing an unprecedented growth in the number of foundations and also in the scope of financial support they provide (cf. EUFORI study: [www.euforistudy.eu](http://www.euforistudy.eu)). **Foundations contribute 5 billion EUR annually to research (larger than ERC!).**
  - **"We are entering the golden age of philanthropy in Europe"** (?)
  - Most universities are unaware of this potential and unprepared to exploit it. They may also lack the resources to get prepared; regulatory frameworks are unsupportive.
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## 8. Reaching out to alumni- increasing trend

- But potential is underutilized; requires a change in the culture of funding, and operational modalities.
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# Lessons and Recommendations

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1. Engage with authorities and the public to make the case that universities provide value for society

- Given the change in the dominant policy narratives, universities and HE associations must engage in this effort. This change will potentially affect funding policies (e.g. moving EU funds from education to defense?).
  - How to do it? Work alone, together? Role of EUA as the collective voice of European universities.
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# “Making the case” has practical, not only symbolic value

- *UK* study on the relationship between reputation and funding: reputation is a strong predictor for both research funding and funding for teaching and learning. One could probably add outreach (e.g. refugees).
  - *Leuphana*: Gaining reputation by positioning as a leader while developing a new niche (using digital tools) – helps with funding too
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## 2. Gain conceptual clarity on efficiency; make efficiency an area of strategic focus in universities

- USTREAM project - a great opportunity at European level –another potential great service provided by EUA.
- Conceptual clarification
- Identify and promote good practices at policy level and measures at the institutional level

Same good experiences to learn from (showing how the Funding Forum works): UK, Ireland – breakout session, will be used by USTREAM too

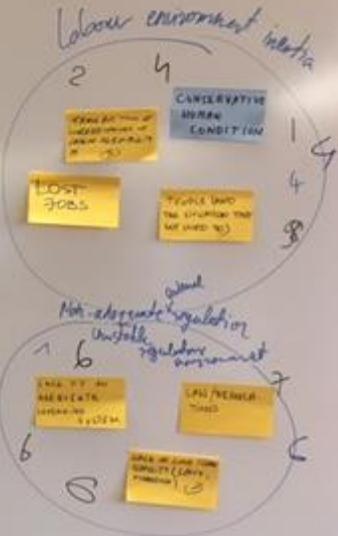
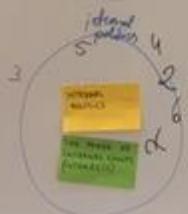
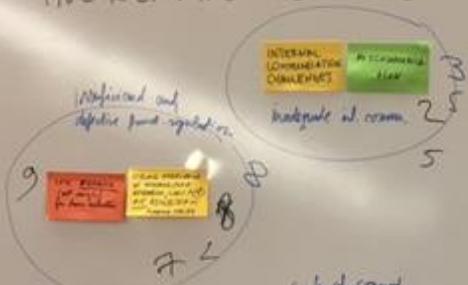
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- But is it true that we lack conceptual clarity on efficiency?
  - An illustration
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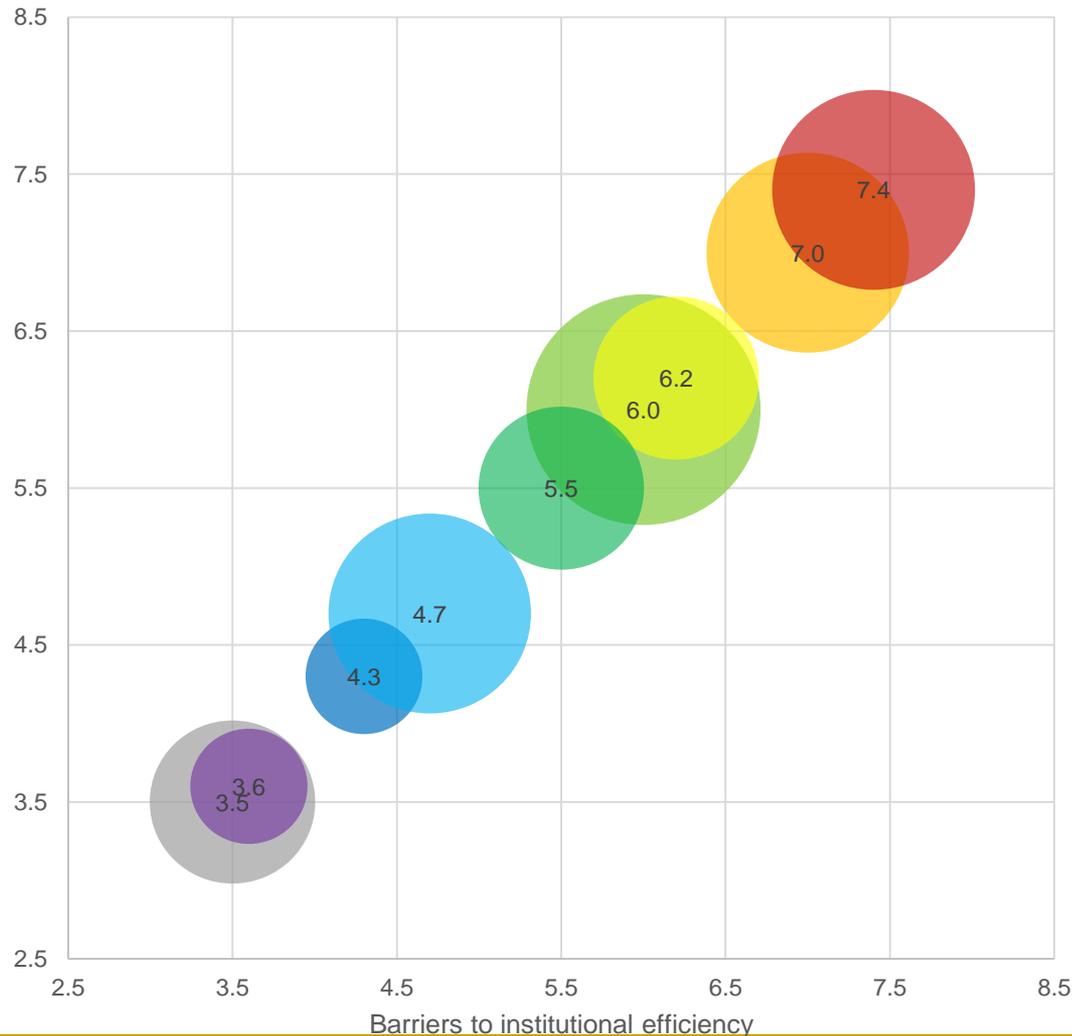




# WHAT ARE THE MOST IMPORTANT BARRIERS FOR INCREASING EFFICIENCY AT YOUR HE INSTITUTION?



# Results of the focus group session



- Lack of strategic planning
- Labour environment inertia
- Lack of human capacity
- Inadequate internal communication
- Unstable regulatory environment
- Lack of conceptual clarity and focus on efficiency
- Insufficient funding and defective funding regulations
- Internal politics
- No collaborative frameworks

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## Examples of good practice –institutional approaches to efficiency

- The University College Cork has developed an original institutional methodology to maximize efficiency and value for money based on “structured lean practices to the key enabling processes of the University to ensure optimum efficiency, effectiveness, agility and responsiveness to internal and external needs”.
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3. Engage with foundations; create appropriate institutional infrastructure to support this engagement

- Involves strategic, operational, and financial commitment and action.
  - An important question: who/where to learn from? What does it take?
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## 4. Organize or expand alumni activities, including but not restricted to alumni fundraising

- Similar questions as for engagement with foundations: strategic, operational, and financial commitment and action required.
  - What does it take? Who/where to learn from? (e.g. CASE, consulting firms, or other successful universities?)
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# 5. Address inefficiencies in European funding

Proposals by EUA: institutions, national authorities, EU

- Institutions:
  - Strategy and support to only put forward top proposals



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- National funders:
    - Calculate real costs of participation
    - Fund unsuccessful top proposals (common pots)
    - Support institutions in strategic development
    - Sufficient Funding at national level
    - Simplification at national level
  - European funders:
    - Increase Funding for grants
    - Reduce costs of application:
      - 2 – stage calls
      - More guidelines and clearer description of calls, esp. with regard to impact
      - Support at application stage
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## *Reduce costs of participation through Simplification!*

European Funders:

- Accept nationally recognised costing methodologies and institutional management and accounting practices
- Calculation of personnel costs.
- Time recording.

Build a trust-based funding system!

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## 6. A new area of focus for European funding?

- Using the positive lessons from EIT (“kicks”) promote the establishment of genuine, stable networks. To date, Erasmus+ and Horizon 2020 do stimulate cross-European cooperation (mainly one-off), but only rarely the establishment of such networks.
  - ***But what does genuine network mean? A project for EUA?***
  - “The 21<sup>st</sup>-century university will be a network and an ecosystem—not a tower” (Brown and Adler, 2008).
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In (final) conclusion:

- A useful Forum.
  - More “applied” than the previous editions?
  - Made possible by a great host!
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- Obrigado, Porto!
  - And see you in...?
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