

# **EU-Educational policy during the crisis: the need for competition!**

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# Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Brief History.....</b>	<b>4</b>
<i>The Lisbon Treaty .....</i>	<i>4</i>
<i>The Bologna Process .....</i>	<i>4</i>
<i>Relation between Bologna and Lisbon .....</i>	<i>5</i>
<i>The Filter of the economic crisis .....</i>	<i>6</i>
<b>3. How competition could look like .....</b>	<b>7</b>
<i>What Europe should strive for .....</i>	<i>7</i>
<i>The actors involved .....</i>	<i>6</i>
<i>Why this is the moment .....</i>	<i>6</i>
<b>4. Concluding Remarks.....</b>	<b>10</b>
<b>5. References.....</b>	<b>11</b>

# 1. Introduction

In March 2000 the European Union came up with a new comprehensive strategic aim. They wanted '(...) *to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.*' In this new strategy, also known as the Lisbon Treaty, higher education plays a decisive role in fulfilling its ambitions. The European Council and the Commission jointly requested that Europe's education and training systems are recognized as one of the key priorities within the Lisbon Treaty. (Council, 2000b:3). The Lisbon ambitions resulted in a comprehensive 10-year European strategy to react on the challenges of globalization and the knowledge-driven economy (Ertl, 2006: 1).

But then, in 2008, the huge Economic downturn from America also came over to Europe and the rest of the world. The European economy has seen its deepest recession since the 1930's, with real GDP to shrink by more than 4% in 2009, which was the sharpest contraction in history of the EU.

Now in 2010, while the 10-year Lisbon strategy has come to an end, the results turned out to be plain disappointing. Europe is facing difficulties with keeping pace with Asian and also American economic growth rates. In the past ten years there have been several broad scale initiatives, like the Bologna Process (1999), developed and implemented during these years, but nevertheless the EU by far isn't that dynamic knowledge-based economy that it wanted to become (European Economy, 2010: 5).

Might this be a reason to lower the EU-ambitions concerning educational matters? Or is the competitive Lisbon agenda still worth emulating? This paper will show why, especially during and after the economic and financial crisis, the EU needs a competitive agenda concerning EU higher education policies. First it will briefly show the historical context and after that it will argue why there still is a need for competition and how that could work. The research question will be:

*"Why is there, especially during the crisis, a need for competition concerning EU-educational policies?"*

## 2. Brief history

To find a clear answer to the central question in this paper it is important to know something about the history concerning EU educational matters. Globalisation and the imperatives of the knowledge society, have been translated in two overarching policies known as the Lisbon Treaty and the Bologna Declaration. Both will shortly be examined in the next two paragraphs. After that the interconnectedness between both projects will be illustrated (EUA, 2010: 15).

### *The Lisbon Treaty*

At the Lisbon summit in March 2000 the EU has proclaimed its ambitions to become the “(...) *leading knowledge-economy capable of sustainable growth and greater social cohesion*” . When we look at the ambitions on the educational level one can say in general that by enforcing the Lisbon Treaty, more policy cooperation in the educational and training area has been set as a goal. There are three main objectives related to the treaty:

- 1.) improving the quality and effectiveness of education and training systems in the EU,
- 2.) facilitating the access of all to education and training systems,
- 3.) opening-up education and training systems to the wider world.

Those new aims were ground-breaking in its time because they added a new dimension to previous EU-education policies formulated within the Treaty of Rome and the Maastricht Treaty. Educational matters were now for the first time defined as a common European interest that went beyond national borders. Before Lisbon, the Treaty of Rome and the Maastricht Treaty were based on an intergovernmentalist approach of education policies in the EU (Ertl, 2006:21). The Lisbon Treaty also initiated common quality indicators and benchmarks to make it possible to define progress concerning EU educational matters. Those common standards were the start for what Nóvoa & de Jong-Lambert call *'homogenization of information'* within Europe. This is an important step according to them, because the way you define reality directly influences the construction of that same reality (Nóvoa & de Jong-Lambert 2003, p. 53).

There were several driving forces that led to the creation of the Lisbon Treaty. Some already briefly are marked, but to fully comprehend the Treaty it is useful to know a little more about the body of thought behind it. One of the main reasons that led to the Lisbon summit were concerns of EU-politicians about the competitiveness of Europe in a globalized world. Several ministers of member-states had their concerns about the pace of economical growth within countries like the US and China compared to EU-levels. Nowadays most policy-analysts agree that the Lisbon Treaty was mostly economically driven. In 2003 Viviane Reding, Member of the Commission for Education and Culture, confirmed this. She laid in a speech the basis for *'making the EU a prominent figure in the world education Market'* by using the argument that *'national governments alone cannot meet the challenges of globalization, new technologies and the single market'* (Reding 2003, 2).

### *Bologna Process*

Where the Lisbon Treaty is initiated by the European Council, the Bologna Process (1999) is initiated by individual states, which were not necessarily member of the EU. Key-actors acknowledge that enhancing the quality of education and graduates' employability is the

most important driver behind the Bologna Process (Reichert & Tauch, 2003). Although it is not directly an EU-driven initiative, the Bologna Process with its open character and the assessments on quality, undeniably added new momentum to the EU (education) policy, like the Lisbon Treaty (Ertl, 2006: 20).

The nation states connected to Bologna wanted to create a common architecture and a European Higher Education Area (EHEA) by 2010. Within this area staff and student mobility was to be enhanced by creating a system of easily readable and comparable degrees, which is based on a Bachelor Masters structure. A Bachelor's degree should be appropriate for obtaining a job at the European labor market. The latter should lead to the Master or doctorate degree. A second important element of the Bologna project is a common system of credits as a proper means to promote student mobility. Another aim is the promotion of European cooperation in quality assurance by making use of comparable indicators and methodologies. The fourth and last important aim is creating a common European higher education identity within the world. *'Convinced that the establishment of the European area of higher education required constant support, supervision and adaptation to the continuously evolving needs'*. The intention was to promote the EHEA profile globally to improve its attractiveness compared to American, Asian and Australian higher education areas. In this way they wanted to attract the so called 'brightest brains' from the global educational market. By creating a cutting-edge European Research Area (ERA), the Bologna should attribute to a high-quality knowledge base, which will ensure the further development of a stable, peaceful and tolerant European community (*Bologna Declaration 1999*).

#### *Relation between Bologna and Lisbon*

There seems to be a certain overlap between the Bologna Process and the Lisbon Treaty. The Bologna declaration states one of its central objectives as enhancing the international competitiveness of the European system of higher education, while by the Lisbon project becoming the *'becoming the most competitive knowledge economy in the world'* is promoted as its main objective. The Bologna countries want to achieve this by creating common knowledge areas as the EHEA and the ERA. The Lisbon strategy aims to transform Europe by giving high importance to research and innovation and creating expanded access to education and lifelong learning facilities. So one could say, both projects recognize the importance of education in reaching their goals (EUA, 2010: 15).

But according to both projects the competitiveness aim doesn't comprehend the full scope. Bologna as well as Lisbon recognize the importance of social inclusion through their projects, albeit in different ways. In the Lisbon Strategy there is less importance attached to the social dimension than by the five Bologna Process communiqués<sup>1</sup> of the European Ministers for education. They describe higher education as a public responsibility in which Europe from a social perspective should strive for equity. The ministers see the social dimension, which means equity and access to higher education all over Europe, as central to the Bologna agenda (Leuven Communiqué, 2009).

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<sup>1</sup> **Communiqué of the Conference of European Ministers, Leuven and Louvain-la-Neuve, April 2009:** the ministers responsible for higher education in the 46 countries of the Bologna Process took stock of the achievements of the Bologna Process and set future priorities for the EHEA in 2020.

An important difference that has to be mentioned, is that the Bologna Process is an intergovernmental project including also non EU member states, while Lisbon is initiated by the European Council of Heads of State or Government. Although, EU institutions do play a decisive role in both projects (Ertl, 2006: 1).

#### *Filter of the economic crisis*

Currently there are no scientific data yet on what the reaction of governments will be on the crisis in the long run. But via the media we do have insights in how governments act during the crisis in the short run. So based on that we try to say something on Europe's future perspectives concerning educational policies during and after the crisis.

The efforts that have been made through Lisbon and Bologna cannot be fully comprehended without taking in account the financial and economic crisis. The economic downturn is perceived as the biggest economic contraction since the crisis in the thirties of the previous century (European Commission, 2009). Taking in account the severity of the current situation it makes sense to think about the question: how this will influence Europe's future perspectives.

At the moment scientists, politicians and journalists are heavily debating the past neo-liberal open economy policies and its disadvantages. In a first reaction governments tend to show some protectionists behavior. President Sarkozy for example offered Renault financial aid on condition that the production was repatriated. Another example is Obama's stimulus package which contains a Buy America clause that curtails competition for steel (Times, 2009). This is contradictory to the Lisbon and Bologna agendas which promote free trade and movement of goods and people within the EU.

Since the crisis and the governmental policies regarding the crisis are still developing it is too early to say whether the crisis leads to more protectionism in the long term, or not. But one can say, taking in account the economy as one of the key drivers of the Lisbon Treaty, it is realistic to presume there will be consequences for EU education policies. As mentioned before, educational policies are one of the key drivers of the Lisbon agenda. In order to achieve economic competitiveness, an important policy area is the Member States' education and training systems which '[...] need to adapt both to the demands of the knowledge society and to the need for an improved level and quality of employment' (Council, 2000a, p. 12). But the fulfillment of the ambitious Lisbon goals seems, after the crisis, further away than ever. Europe is facing difficulties with keeping up pace with the USA and upcoming economies like China. The increased competition in a globalized market places an extra burden on the EU's knowledge-driven economy. Asian economies (Japan excluded) seems to face less difficulties in maintaining economical growth after the crisis.

The advent of an more uncertain period for the Member-states creates a political momentum for reconsidering policies. Future will tell us if there will be a key role for education within EU strategies of coping with the crisis' aftermath. But if we read the document of the European Commission: Economic Crisis in Europe: 'Causes, Consequences and Responses' it is remarkable that only in two or three sentences is mentioned that the EU should invest in higher education and innovation (European Economy, 2009).

### 3. How competition could look like

Now we know more about the backgrounds of the Lisbon Treaty, the Bologna Process and the potential effect of the crisis on those agreements, it is time to show a perspective for EU-educational policies. This paper argues there is, especially after the crisis, a need for competition concerning EU-educational policies. But it is still unclear what this exactly means. This chapter will clarify that out. It will also tell something about what it means for the actors involved and why this is the moment for a competitive higher education agenda within Europe.

#### *What Europe should strive for*

Competition is a term used by economics. A lot of critics condemn the use of economics within any educational area. They say economists abuse higher education as an economical means to fulfill their personal needs. Since the Lisbon Treaty is mainly driven by economic ambitions this is one of the main critics on the educational ambitions included within the Treaty. To a certain extent I agree with those critics. Universities should be the place where students can fully develop their talents and personalities within an academic environment. This is important to develop critical and creative academic minds which will help them shape their future in a successful way.

But the competition in higher education does not have to be mainly driven by the interests of economists. Rather the opposite: it should be driven by the interests of the students. Universities need to compete with each other to become the best environment for developing students' talents. Every university should strive for excellence as a means to attract students to the lectures their professors give. Competition in this sense is not about kicking out the less talented but about getting the best out of everybody. Universities just have to make clear to students that their education gives the student the possibility to get the best out of his or herself.

The creation of a 'market' where universities are competing for the students talents can only flourish when certain prerequisites are met. There should be free movement of students which makes it possible for them to choose freely the university of their own preference. This suits to the ambitions for free movement of the Bologna Process, as well as the Lisbon Treaty (Leuven Communiqué, 2009; Council, 2000a). In this way competition will create an incentive for universities to create an environment that will suit in the best possible way to the student's academic needs.

When universities are competing for students, of course there will be different levels of quality among those institutions. Successful universities with a good reputation will attract the smartest students. In this respect the competition among universities will include an element which goes beyond the European borders. The universities shouldn't focus only on the European market, since there is an enormous global market for students. To become a serious partner in this global market for attracting world's brightest brains, there should be created one strong European higher education identity. In this way Europe would be able to compete with higher education areas in the USA, Australia, and Asian higher education areas. If Europe wants to fulfill its ambition to become the most dynamic knowledge economy in the world it needs a strong higher education area with an outstanding global identity. If European universities are able to attract the brightest brains of the world this will be an extra impulse for the study climate within those universities.

### *The actors involved*

It is now clarified out what is meant with competition, but it isn't exactly clear who are involved. To put it more straightforward, what does it mean for the actors involved in this European project?

First of all free movement for professors and students is important. This is a way to transfer and share knowledge beyond national borders. It will also help to improve the cultural understanding. There is no better way in understanding your neighbors than by studying next to each other. This will make it possible to debate in an international context and students and professor will understand cultural differences better.

For universities the competition agenda is an opportunity to invest in a worldwide context. Promoting globally and in this way attracting the brightest brains will boost the university's capacities. To reach this, universities should actively promote their selves globally. And they should, together with the EU smooth international cooperation. They can do this by easing the way credits from other universities are accepted. To fully implement one Bachelor / Master structure within the curriculum.

The European Commission also plays a decisive role. Through the Lisbon and Bologna Processes and other education activities, the Commission has rapidly established a strong profile in the European higher education area. This goes from funding ministerial meetings of the intergovernmental Bologna meetings, to its political and financial backing of European research. In this way the Commission became an important player within the European higher education area and gained serious political weight. The European Commission has built a comprehensive policy framework concerning higher education policies within Europe. The Lisbon strategy which is part of the EU's strategy for jobs and growth, together with the intergovernmental Bologna Process to restructure the educational system, makes the European Commission a very important and comprehensive player in the European higher education area (Keeling, 2006).

### *Why this is the moment*

At the moment Europe and also the rest of the world, are in a unique position. The crisis creates a moment of reconsideration of European policies from the past years. After ten years the Lisbon goals haven't been achieved yet. The past years were, despite of the Bologna process, one of economic rhetoric, instead of real educational focus. Now it is time to bridge the gap between economic rhetoric and actual investments in education. Is this reason for a gloomy response and say that we probably will never achieve the ambitious Lisbon goals? Rather the opposite. Especially now there is more than ever the need for real investment in education to catch up with other regions in the world.

## 4. Concluding remarks

The research question of this paper is:

*“Why is there, especially during the crisis, a need for competition concerning EU-educational policies?”*

Several things should be mentioned in regard of this question. Within Europe there have been numerous initiatives to boost the European higher education area. The most important ones are the Lisbon Treaty and the Bologna Process. Higher education was seen as a key element to reach the ambitious goal of the Lisbon Treaty: to become the most competitive knowledge-based economy in the world. Besides that, there was the Bologna Process which promoted one European higher education identity, free movement of students and recognition of qualification among universities worldwide. The European higher education ambitions are consistent with the *Single European Market* strategy. They were seen as the next step towards further European integration.

But then the crisis came up. The biggest economic contraction since the depression of the '30s was a fact. This made the ambitious goals further away than ever. The higher education areas within Asia and the USA are far more competitive than Europe's. This created a moment of political reconsideration. The argument of the paper is that the EU should use the political momentum of the crisis to reshape their own future.

They could do this by reviving a competitive agenda for the European higher education area. Universities, professors, students and the European Commission play a decisive role in this story. Universities should compete with each other for the brightest brains. In this way students should be triggered to freely move between universities within, but also outside Europe. All the actors involved should work for a strong European higher education identity to attract the brightest brains in the global market.

Only via this competitive agenda Europe would be able to fulfill their ambitious goals, formulated when the Lisbon project was initiated. Europe should strive for excellence in a way that it is not about kicking out the less talented, but getting the best out of everybody.

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