

The greater market integration of the European Higher Education Area may have unequal benefits across countries and disciplines.

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19/06/2013

*Since the late 1990s, European higher education has moved towards greater integration, increasing student mobility and more comparable national systems. The past two decades have also seen a gradual rise in the role of market elements in higher education. **Pedro Teixeira** finds that this greater integration may be leading to a greater concentration of funding across certain countries and academic disciplines. He writes that an EU that is increasingly concerned with global relevance may now be more willing to concentrate resources in a smaller number of elite institutions.*



European Higher education is facing a time of significant change that has changed its identity and the political expectations regarding its societal roles. As in other areas of public intervention, the traditional public ethos of higher education systems and institutions has been questioned and eroded, with the political discourse giving growing visibility to the role of markets, competition, privatization, and efficiency in higher education. European governments have been more willing to introduce market elements into the public sector and this has been increasingly felt in higher education in aspects such as greater competition for funding, students and staff, and the development of private higher education in several parts of Europe.

These developments have been enhanced by the winds of change that have been gathering pace in recent years at the European supra-national level. Major policy developments have been promoted by the well-known [Sorbonne](#) (1998) and [Bologna Declarations](#) (1999), which have aimed at fostering greater integration in European higher education, through increased mobility and comparability of national systems. This process was increasingly shaped by the Lisbon targets (to be replaced by [Horizon 2020](#)) and by the view that higher education is central to Europe's economic and social goals. Hence, the development of a more integrated higher education area was progressively moulded by economic forces and motivations and geared towards the emergence of an integrated higher education market.



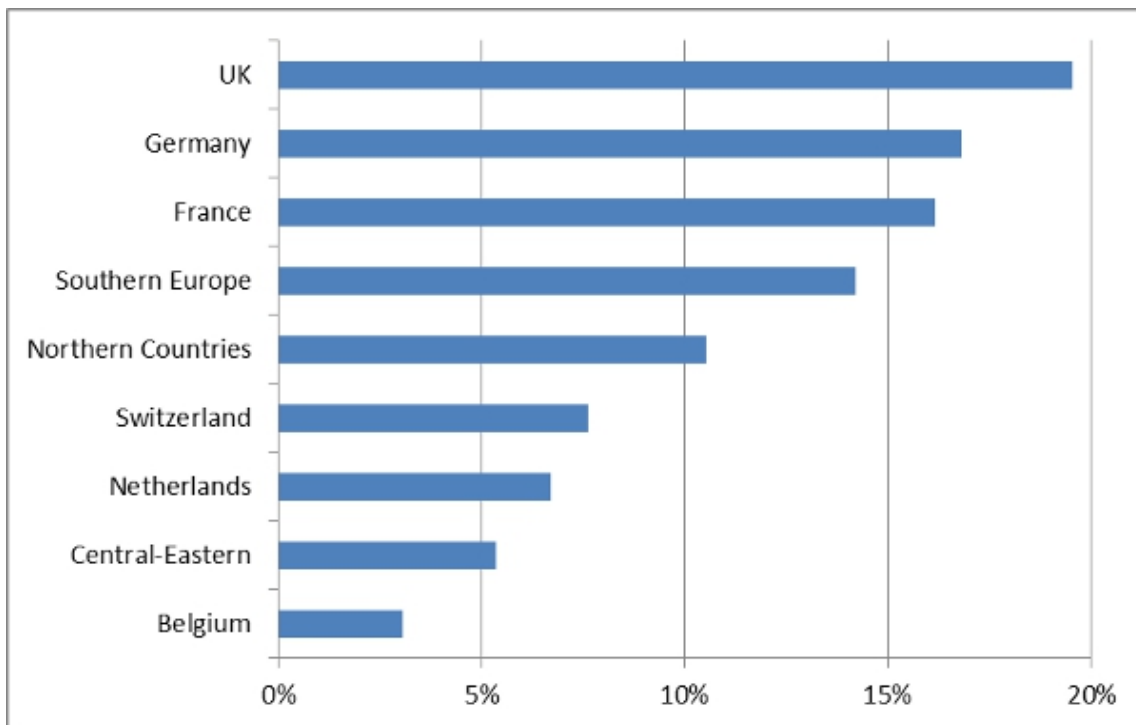
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Although higher education in Europe has traditionally been strongly dominated by public provision and government regulation, recent developments have changed this scenario in recent decades, and all around the globe, private higher education has been experiencing a notable growth. Private institutions still play a small role in many European systems and its emergence is taking place against a background of large and consolidated public sectors and that will certainly influence its profile. Market-focus and privatization has also been playing an increasing role in funding mechanisms and funding sources for higher education. After several decades of expansion, societies and governments are less willing to put additional public resources into Europe's higher education system due to a variety of trends, such as the rising cost of higher education;

financial austerity; and a changing view about the role of the state and the nature of public services.

The insights drawn from past experiences of European integration suggest that the effects of market integration are complex and that the benefits may be unequally distributed. Moreover, the analysis of other processes of economic integration in Europe indicates that the peculiarities of a sector play an important role in steering the effects regarding the convergence and divergence, and the concentration and dispersion of activities. In the case of higher education, the current picture is somewhat blurred, but some trends suggest that the fears of concentration are real. This is especially significant in the areas that we tend to associate with the prestige and reputation such as research activities, with the allocation of the most competitive funding being concentrated in a small number of countries and institutions.

Figure One – Per cent of total European Research Council grants by country 2010



Source: ERC

**Note: Northern Countries – Sweden, Denmark, Finland, Norway, Ireland Southern – Italy, Spain, Portugal, Greece
Central and Eastern – Austria, Czech Republic, Slovakia, Slovenia, Hungary, Poland, Latvia, Lithuania, Estonia, Bulgaria, and Romania**

We can gain insights on this concentration by examining grants awarded by the generous and highly competitive European Research Council, that are awarded in a competitive basis to scholars either in an early stage of their careers or in a more advanced stage for a period of 5 years. Figure One above shows the distribution of research grants over the last 5 years by countries and groups of countries. The data indicate that some countries are clearly far more represented in these grants than others. The UK is clearly the leading country, followed by Germany and France. Size of the country and of the higher education and research system does not seem to be decisive criteria, with some smaller countries capturing a significant share of grants, notably The Netherlands, Switzerland, Belgium and Israel. Some parts of Europe show a much lower aptitude to compete for those attractive grants, such as those in Central, Eastern and Southern Europe. Even the Northern countries (Sweden, Denmark, Norway, Finland, and Ireland) show a less than impressive performance.

Moreover, the distribution across disciplines is also creating further inequalities, with some areas being privileged

due to their societal or political prominence (usually the so-called STEM subjects – Science, Technology, Engineering and Medicine). Although some factors may be hindering a rapid process of integration and concentration (especially those referring to the mobility of individuals, especially staff), the signs are also towards a greater mobility of students and staff, especially in choices more strongly related to research-intensive programs and activities.

Like in other dimensions of the European integration, we are dealing with a complex process that raises significant perplexities and fears among national and institutional actors that may hinder further the drive towards greater integration. Some of the major fears refer to the potential concentration effects that may be promoted by further integration and competition. Although Europe has traditionally had a more egalitarian approach towards higher education, there have been multiple signs of change in recent years. Many European governments have shown a willingness to promote multi-level differentiation across national systems regarding aspects such as institutional missions, allocation of funds, or regulatory frameworks.

This is taking place against a background of wider and deeper global changes that may influence European developments, notably through the race towards building world-class institutions (in which funding is concentrated) and the national competition for positioning their institutions in major rankings and league-tables. A European Union increasingly concerned with global relevance may be therefore more willing to concentrate resources in a few elite institutions and in using market regulation to sustain those political intentions.

However, this may create important tensions across Europe. This is likely to cut across countries, regions, sectors and disciplines, since not all of them will be winners and some will tend to be better placed than others to seize the opportunities created by the emerging European higher education and research areas. Like in other dimensions of the European Union, it is yet to be seen how these tensions will be dealt with and to what extent they may create fragmentation and segmentation across Europe. The challenge seems to be how to balance integration, international competitiveness and internal cohesion.

This article is based on the LSE Europe in Question Paper No. 56, 'The Tortuous Ways of the Market: Looking at the European Integration of Higher Education from an Economic Perspective'.

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