

Press Release

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European University Systems Lag in New Global Ranking

**In a landmark study, the Lisbon Council finds
Denmark and United Kingdom have best education systems in Europe;
Germany, Austria and Spain need urgent improvements**

BRUSSELS, 18 November 2008 – European university systems must do more to meet the social and economic demands of a modern, knowledge-based economy. That is among the key findings of **University Systems Ranking: Citizens and Society in the Age of Knowledge**, a landmark study released today by the Lisbon Council, a Brussels-based think tank. The study – which represents the culmination of a year-long research project – finds that **Australia, United Kingdom** and **Denmark** have the best tertiary education systems among the 17 OECD countries surveyed. By contrast, **Germany, Austria** and **Spain** have the least effective tertiary education systems; they come in at Nos. 15, 16 and 17, respectively, indicating their university systems must do more to extend educational opportunities to a broader range of students and make sure that the education students receive is relevant to contemporary economic and social challenges.

Says Paul Hofheinz, president of the Lisbon Council: “With this study, we want to launch a debate on the effectiveness and suitability of European tertiary education systems, given the very real challenges of increasing global competition and rising international levels of education. In an era of knowledge, access to education is a key policy goal, which reaps tremendous social and economic dividends. This study shows that with regards to its university systems, Europe must do more to raise its game.”

Adds Dr. Peer Ederer, scientific director of the Human Capital Center at the Lisbon Council and principal author of the study: “Put simply, our tertiary education systems are not delivering the results we expect and need. Our systems are too elitist and exclusive; they do not offer enough educational opportunity to enough people throughout their lifetimes. We must do more to make sure the system is helping us meet the economic and social goals that will be so vital for 21st century success. We believe we can learn from best practice in other countries through benchmarking exercises like this.”

Among the study’s key findings:

- l) Of the 17 countries surveyed, **Australia, United Kingdom** and **Denmark** have the best tertiary education systems, ranking Nos. 1, 2 and 3, respectively. Taken together, their universities accept among the largest number of the domestic population for study, giving them high scores on Inclusiveness and Access. But their universities are also attractive to foreign students, which gives these countries an important leg up in the global competition for talent. And all three countries are frontrunners in the effort to offer continuing education to adults after they have left the formal education system, with high numbers of people benefiting from access to lifelong learning. Finally, all three have opened up their education systems to a wide range of people without lowering their educational standards. To the contrary, there is much evidence that the

diversity and inclusiveness of their educational system has helped them raise standards in important ways.

- II) By contrast, **Germany**, **Austria** and **Spain** all fare badly, weighing in at Nos. 15, 16 and 17, respectively. Austria and Germany suffer because of the restrictiveness of their educational system; they turn away the most number of students from higher education, and as a result offer higher education to a relatively low number of people. In addition, Germany also suffers from low wage premia for university graduates – a sign that the education system may not be turning out enough graduates with the right skills for the domestic labour market. Germany is, however, an attractive place for foreign students (weighing in at No. 3 in this sub-indicator), though this is offset by a relatively poor performance on providing access to lifelong learning (where Germany ranks last at No. 17).

- III) In the overall index, **Spain** comes in dead last at No. 17. It ranks No. 12 on Inclusiveness (the measure of how many of its university-age students actually receive a university education). But it ranks lower on most other categories, and particularly on Effectiveness – the wage premia that a university education commands in the domestic labour market. In order to do better, Spain must do more to modernise its education system, bringing it more closely into line with European norms (faster progress on the Bologna criteria would be a good place to start). It must also work to address the apparent discrepancy between the subjects taught in university and the skills sought on the labour market (as indicated by the relatively low wage premium which a university degree confers in Spain).

- IV) Other countries – such as **Poland** – do well in some categories, but are brought down by relatively poor performance in other key areas. Poland is good at accepting a large number of students, including students of relatively low skill levels upon entering university (as measured by Inclusiveness and Access, the first two sub-indicators in the study). But it does very badly at matching skills to the local labour market and at attracting foreign students (as measured by the Effectiveness and Attractiveness sub-indicators).

- V) In this ranking, **Portugal** performs surprisingly well. The country falls in the middle of the pack on overall score, but it comes out ahead of **France** and **Germany** on the all-

important indicator of Inclusiveness and ahead of the **United States** on Access (which measures the number of relatively low skilled secondary students admitted to the tertiary system). It also does well in the wage premium for a university degree category. Even if this performance may be the result of exogenous factors – such as the country’s rapid economic growth in the post-1985 period – it nonetheless illustrates an important corollary to this study; put simply, a healthy labour market (with low levels of unemployment and merit-based promotion) can itself be an excellent catalyst for educational performance, and forms an integral part of the overall system encouraging citizens to pursue tertiary education and seek academic excellence. Overall, Portugal is a good example of how a growing domestic economy can encourage and improve educational performance. Longer term, Portugal must work to increase access to life-long learning (as measured by the Age-Range sub-indicator) and raise the number of foreign students it attracts.

- VI) Broadly speaking, Anglo-Saxon and Scandinavian education systems dominate the top half of the ranking (**Australia, Denmark, Finland, Ireland, Sweden, United Kingdom and USA**); while a broadly-defined Romano-Germanic block makes up most of the lower half (**Austria, France, Germany, Hungary, Italy, Netherlands, Poland, Spain and Switzerland**). Without entering a debate on social and economic models, this implies that the Romano-Germanic countries should do more to make their education systems more open, democratic and readily accessible to a broader range of people.

Additional copies of **University Systems Ranking: Citizens and Society in the Age of Knowledge** (2008) can be downloaded on the Lisbon Council website at www.lisboncouncil.net.

The Lisbon Council is a Brussels-based think tank and policy network, committed to making a positive contribution by engaging political leaders and the public at large in a constructive exchange about Europe’s economic and social future. Visit www.lisboncouncil.net.