

ESIB Response to the European Commissions Consultation “The role of the universities in the Europe of knowledge”

Foreword

ESIB – the National Unions of Students in Europe is the umbrella organization of 50 National Unions of Students from 37 European countries and through these members represents over 11 million students. ESIB was founded in 1982 to promote the educational, economic, cultural, social and political interests of students in Europe.

This consultation has been carried out through the democratic structures by the national student representatives from across Europe. The initial draft was written based on previous policies and discussions and then this draft was discussed during a plenary session at the 44th ESIB Board Meeting. The Consultation document was then amended following the discussion and then circulated to members to discuss the final draft thus ensuring that this Consultation document is the truly representative document of the views of the students of Europe.

ESIB welcomes the opening up of the discussion surrounding the role of universities per se and within the Europe of knowledge more specifically. ESIB appreciates the possibility of participating in the open consultation process as well as being involved in several of the working groups under the auspices of the Lisbon Process and look forward to this role being developed further. Students are the biggest stakeholder in Universities and thus we feel that we have a lot to contribute to the development process. ESIB feels that the defining the Role of Universities in the emerging European Higher Education Area and the Europe of Knowledge should ultimately be the responsibility of society as a whole. In the process of defining the role of universities all stakeholders within the Higher Education community, including students, must be equally represented.

ESIB acknowledges the need to discuss higher education from a financial and economical perspective, when it comes to funding of higher education, however ESIB would like to stress that the increased use of economical discourse, that is very much used now in higher education, considerably neglects the role of higher education as a public good and public responsibility. ESIB does not agree with the comment on page 13 of the Communication that “there is a limited margin of manoeuvre for increasing public support”, if a Europe of Knowledge is to become a reality it is essential that there is increased public funding to meet this goal, rather than purely relying on private sources to meet this public policy objective.

ESIB strongly believes that higher education is and must remain public good, thus we stress that the role of higher education and the role of higher education institutions, is to develop individuals not only to fit into the labour market, but also to develop critical thought as well as their personal, social and cultural development. When developing the

European Higher Education Area it is important that the social dimension, particularly in relation to access to Higher Education, is fully taken into consideration, we would not want to see a situation such as the United States where there is an excellent higher education system that is only accessible to the lucky few. Higher Education gives individuals the possibility to develop their talents, so Higher Education ensures that there is no waste of talent, which is important for society as a whole. Higher education also plays a key role in the development societies as a whole, not only economically, but also democratically and socially. Acknowledging this important role of Higher Education, a country should take its responsibility and strongly invest in Higher Education We feel that this dimension of higher education has been neglected both in the consultation document and in the academic communities both on the national as well as European level.

ESIB reaffirms its position that education is and must stay the responsibility of the national governments. Further, ESIB believes that development of European Higher Education Area and policies concerning Higher Education lies in co-operation between universities, rather than competition. In an increasingly internationalized and globalized higher education ESIB sees co-operation between institutions, countries or regions as the only path that would secure equal treatment and development in all regions both in Europe and the world. It should also be recognized that whilst comparisons with the US and other higher education systems are valid and there are some lessons to be learnt ESIB would stress the necessity of developing a European approach to higher education building on the historic tradition of university education within Europe over the past millennium.

Funding for the future – Higher Education into the next century

5.1.1 Increasing and diversifying universities' income

When talking about increasing and diversifying the income of universities there is a number of initiatives that can be taken, however, it should be emphasised that public funding is and should remain as the primary source of funding representing the role of higher education as a “public good” as defined in the Prague Communiqué of Ministers of Education in May, 2001.

One way of income generation that is often discussed is through greater public donations, either in the form of individuals, usually primarily alumni of the institutions, or from the collective often in the form of contributions from business. This form of donations should be encouraged by beneficial tax breaks, maybe even including universities in the same tax bracket as charities as is currently done in the UK, and universities should be encouraged to look for this to a much greater extent, however there are some concerns as outlined below.

Universities can also exploit the intellectual property to a much greater extent, both in terms of patents and also through setting up companies that can take advantage of the research. These companies would need to be established separately in order to ensure that

the public nature of universities is not threatened. It is, of course, of key importance that this does not interfere with the academic core of the institution and that resources are not taken away from teaching in order to chase mythical financial pots of gold

When talking about contributions from students there are usually two main options, up-front tuition fees or some form of fee after graduation, such as a graduation tax, we shall refer to this as the graduate premium below.

paying for education – a public service funded through taxation

ESIB members believe that students should not pay for their education through tuition fees, either paid up front or after graduation. Neither do they accept the principle of a specific graduate tax, either finite or infinite.

ESIB members also believe that means-testing is regressive, as it

- stigmatises poverty;
- does not acknowledge students' independence at 18;
- excludes students who are estranged from their families, such as many lesbian, gay and bisexual students;
- negates the role of education as a public service, which should be funded through public taxation.

ESIB members believe that students contribute to funding HE both during study and after graduating through personal and business taxation. These tax contributions should be redistributed back into education.

ESIB members have pointed to the fact that, for example in the UK since 1979, corporation tax has been cut by 23% and top rate income tax by 43%. Returning to increased levels of taxation would help to pay for a properly funded further and higher education system. The arguments for this are given below.

Students' contributions to education funding

Students are increasingly paying for the HE funding gap through hidden costs such as

- increasing accommodation costs;
- hidden course costs;
- making up the shortfall in student support through paid work;
- making up for the withdrawal of social security benefits as low income citizens.

ESIB has highlighted how students are required to subsidise their student support through increased paid work and will discuss the withdrawal of social security benefits. In addition to this, ESIB members believe that students pay for HE through personal and corporate taxation as graduates. This is their fair contribution to funding both further and higher education. It is up to the government to ensure that this funding is diverted into education as a priority.

Tuition fees

Tuition fees paid up-front for full-time undergraduates, are a deterrent to access. Evidence from America and Australia supports this

- a 1995 report by the American Association of State Colleges and Universities claimed that 1 in 3 of all new HE students had based their choice of institution on tuition fee levels and/or financial aid offers, not on their grades;
- Australia's Department of Education, Training and Youth Affairs (DETYA) has reported a marked deterioration in access rates over the period since Higher Education Contribution Scheme (HECS) had been fully introduced (1991-97) for students from low income, rural and isolated backgrounds.

ESIB members are also concerned that enabling institutions to charge different fees will divide the HE sector into elite institutions that charge more while other institutions are forced to charge less in order to fit in as many students as possible to boost their public funding. There is a proven link between those with no family traditional of going to university not being prepared to bear the huge financial loans to benefit in the long run and ESIB would be concerned about any measures that limited access to education. Again, this will force prospective students to choose their degree on what they can afford, rather than where they want to study. It may also create huge dilemmas for families saving for their children to go to university. In America, where price is a crucial factor in choosing HE courses, the assumption is that cheaper equals lower standard. American families are having to save for higher cost institutions as a proxy for quality and rate of return. This goes against principles of equal access and leads to a divisive system.

The graduate premium

It is often argued that students should contribute more towards the costs of higher education because of the extra 600,000 euros on average they will earn by virtue of having a degree. However, ESIB believes that promoting 'average' benefits is unhelpful for potential students. The increasing diversification of the student population means that it is important that individuals are aware of what HE could mean for them *in particular*; for example, the benefits to an 18 year old single white middle class male, may not be the same as those for a 30 year old black working class woman. It is also important that prospective students are aware of the differences in benefits brought to bear by personal factors, course choice, development of employability and career choices. ESIB believes that promoting an average 600,000 euros graduate premium is misleading for a number of reasons indicated below:

cost of lost opportunity

Graduates spend from two years upwards not earning when non-graduates are in work, and thereby losing out on earnings during this time.

increased indebtedness

It is highly likely that those who have graduated under the current systems of student tuition fees may accumulate greater levels of debt than their non-graduate peers. How this

affects lifetime financial stability and economic behaviour is yet to be seen. Student loan debt is still debt to commercial financial institutions. For example, in the UK the Council of Mortgage Lenders have speculated that they expect to see the average age for taking on a first mortgage (currently 34) to rise as a result of increased graduate debt. Graduate debt may also affect or delay an individual's ability to plan for their pension and investment needs in comparison to non-graduates. Therefore, what may at first appear to be financial gain from a graduate premium has to be balanced against the consequences of increased long-term indebtedness.

differential rates of return

Research demonstrates that not all graduates benefit from HE equally and this is a view supported by the Dearing Inquiry (UK, 1997). A number of factors determine a graduate's earning potential: entry qualifications, social class, level of HE qualification, degree subject and degree outcome may affect the probability of unemployment after graduation, further study and employment in a graduate level occupation. For example, the National Audit Office (NAO) found that in England, three years after graduating, people from social class V earn on average 7 per cent less than those from social class I. Although the average graduate salary is currently £17,687, rising to £24,734 in 2 years, the range can vary enormously, depending on sector and region. For example, the Association of Graduate Recruiters' (AGR) figures show that the highest graduate entry salaries are in investment banking or fund management (£35,000), with the lowest graduate salaries being offered by transport and logistics (£16,5000). AGR have also found that median salaries are highest in London (although this is the only area not experiencing a rise in graduate salaries in 2002), and lowest in Scotland, the Midlands and Yorkshire. The premium also neglects the reduced earning potential of more mature graduates or those who are likely to take career breaks, such as women and carers.

graduate premium is paid back to government

If we accept that the 'average graduate' does manage to earn 600,000 euros more, this is likely to be diminished to 350,000 euros after income tax, and further reduced by payments to government and commercial debts accumulated as a student.

the impact of increasing participation on the graduate premium

Finally, there is no strong evidence to suggest that the prospect of earning 600,000 euros or more over one's lifetime will not diminish significantly as graduate numbers rise.

ESIB calls for clearer and more specifically targeted information about rates of return for different potential students on specific institutional and course choices. This is essential if potential students are to assess the investment they are making in HE and make informed choices about their education and skill development.

Employers' Contributions to HE Funding

Employers benefit from HE teaching in a number of ways

- HE creates a pool of appropriately skilled graduates. The Association of Graduate Recruiters' (AGR) survey has shown that employers are willing to pay a premium for graduates; even higher if the graduate has work experience, a second degree or has achieved a first class honours;

- employers benefit through HE providing a mutual testing ground through work experience, i.e. students can ensure they are choosing an appropriate career path, but employers can test recruitment and training techniques and gauge whether courses are delivering the calibre of graduates needed for their business;
- research has shown that work experience students provide an important financial input into businesses. 86% of companies involved in an eight-week student placement scheme said that students had made an immediate business impact. 72% quantified the financial gain as averaging some 7,500 euros from a placement that had cost them 1,700 euros, with 6% quantifying the gain as above 30,000 euros. Many businesses also benefit from having a local pool of skilled cheap labour for casual and part-time work. The recent UUK Student Debt Project shows that full-time undergraduate students are undertaking more hours of paid work than in previous surveys to supplement the inadequate level of income provided through government student support. NUS UK Students at Work survey showed that students are most likely to be working in the retail and service sectors, often involving unsociable hours with little trade union protection in the workplace. Thus these students are bolstering the local economy through providing a continuous source of cheap labour for such businesses;
- employers also benefit from ‘cheaply priced’ research and development services. As the Council for Industry in Higher Education (CIHE) has pointed out, whilst industry collaboration with HE via research is increasing, and the income from research charities in science and engineering is around £600 million, neither industry, charities nor the public sector are meeting the full costs of institutional overheads.

So, it is clear that employers should contribute more to HE. Increasing and reinvesting corporation tax is particularly crucial for ensuring a fairly funded access orientated student support system.

ESIB members do not accept that additional student or graduate contributions are justified through tuition fees nor accept the debt burden as an ‘investment’ for future earning potential.

However, ESIB is keen to stress that business involvement in HE teaching and research should not compromise academic freedom. For example, where businesses are involved in developing curriculum, although institutions should be sensitive to employers’ local needs (as is being encouraged through foundation degrees), there should be consistent minimum standards for course content must be maintained. This will help employers to understand the qualification obtained by the graduate and reassure the student that quality is being upheld.

ESIB would also like to stress that due to the volatile nature of market economies and businesses’ interests, funding through business cannot be relied upon as a consistent source of funding and can be fickle as to where it falls. There is a danger that if businesses strike up relationships with specific institutions (often for specific periods of time), other institutions and their students suffer through lack of investment or sudden withdrawal of investment.

ESIB would recommend having safeguards to ensure more equitable distribution of business funding across institutions.

ESIB calls for:

- **an increased percentage of salary paid in taxation by those in the higher tax brackets;**
- **increased corporation taxation;**
- **revenues from both to be ploughed back into further and higher education to fund a genuinely access-based student support system.**

Alumni Contributions

ESIB supports initiatives to facilitate graduates to make contributions to their institutions through Gift Aid and voluntary tax contributions. However, it should not be assumed that significant alumni contributions are possible across all institutions and this income will be used to develop scholarships for access to institutions charging high tuition fees.

ESIB has a number of concerns about reliance on such methods to bolster scholarships for access policies.

Evidence-based policy

There is no evidence to support assumptions that significant revenue can be build up by institutions. In fact in the UK at institutions where alumni currently do contribute, such as the University of Warwick, the institution is often not able to offer scholarships to the broad base of students in need. There is no evidence to suggest that alumni contributions are a beneficial way of generating revenue for all institutions. In fact, it is likely that only a handful of institutions will be able to benefit from this route of fundraising, as administration may prove to be more costly than the revenue gained.

The US experience – tuition fees still spiral with alumni contributions

American institutions lead the way in attracting contributions from alumni. However, despite some institutions benefiting from this system, tuition fees have still had to rise substantially to meet the need for grants to attract under-represented groups. For example, during the 2001/2 academic year, tuition fees at public US institutions rose an average 6% (to an equivalent of approximately 2,380 GBP) compared to 2000/1, and in private institutions, where alumni contributions are the highest, the fees were still as high as 19,300 GBP. With spiralling tuition fees, student indebtedness in the US has doubled since the mid-1990's. For example, the total amount of Stafford loans borrowed by students increased from about \$15 billion in 1992/3 to about \$35 billion in 1999/2000.

Balancing graduate contributions with alumni contributions

If a back-end graduate contribution to tuition fees is enforced through government, alumni will already be contributing to the costs of funding the HE system. Additional contributions from alumni to their institutions directly is a tall order and unlikely where significant graduate debt needs to be paid off.

ESIB views alumni contributions as an additional source of funding that institutions could use to support additional teaching and research scholarships for under-represented students, not as a replacement for government investment in the sector.

Democratizing Higher Education

5.1.2 Using the available financial resources more effectively

Democratic access whilst preventing drop-outs

Higher education should be accessible to all and the aim should be to increase the percentage of all sections within society going to higher education specifically targeting those that are currently excluded, such as students with disabilities and students from lower socio-economic backgrounds. It should, however, be accepted, that simply by allowing a greater diversity of students into higher education will not automatically result in it becoming more accessible and democratic. Universities have developed over many centuries to meet the needs of a certain section within society, namely the children of the elite and a few intellectual children from lower socio-economic groups, and simply allowing more students from a disadvantaged background without developing structures to meet the needs of the changing student population will simply result in increasing drop-out rates. The issue of drop-out rates is also intrinsically linked to the issue of quality within higher education, a student will be less likely to voluntarily drop-out of the course if they can see the high quality of it. This quality dimension must include students in both the feedback and evaluation processes to ensure that their views are adequately considered and their views integrated into future curricula development.

As the demographic make-up of the University population develops so should the support mechanisms made available to students to help tackle the issue of escalating drop-out rates. There should be student hardship grants or loans made available for cases of extreme student financial hardship and there should be support mechanisms such as counselling services, financial advisors, and greater academic support. The specific needs of students such as the students with disabilities and students with families have to be met. The student support system in universities should be aiming to adequately support students and reduce the number of drop-outs, whilst recognising that in some cases dropping-out is the best option for the student involved. There needs to be less stigma attached to dropping-out as it can be the most suitable option for the individual involved, and even the phrase “dropping out” has negative connotations and should be changed.

Universities meeting supply and demand of the market

Universities have a role in ensuring that their courses prepare students for the labour market to an extent and that students graduate with transferable skills that are useful to graduate employers. This transference of key skills is not the primary role of University, clearly this is and should be academic, but it should be recognised that University plays a

unique role in developing the individual and that when the student graduates they will look for a job in some way, shape or form.

It is important, however, that whilst Universities should help facilitate the development of key skills integrated within the course that the course should not lose its academic value and rigorousness.

However, it is often forgotten that role of universities isn't only to answer the demand of the market. Universities play one of the most important roles in developing individuals into the responsible citizens able to contribute to society, not only through labour market, but also through their role in promoting cultural and social innovation.

Equal duration of courses of identical qualifications

This issue is addressed within the Bologna Process that the same qualification should be broadly the same duration. It is important that there is some flexibility in the length of the course to enable different institutions to emphasise different aspects and teach the course in different ways but they should broadly be under the same framework. By ensuring that courses are of a similar length it will enable much greater transparency of qualifications and enable the recognition of these qualifications between countries and institutions. It will also prevent some countries trying to gain a "competitive" advantage by decreasing the length of a given qualification, which also result in a decrease in the academic content.

Increasing the transparency of research costs

Whilst it is important that public funds within higher education are used efficiently and that there is transparency in the way that research funds are spent, it is important to stress that this must not simply lead to institutions prizing the most efficient use of resources and hence concentrating on applied research rather than the much more theoretical but equally valuable pure research. It is important to stress that basic research should be funded as much as the applied research.

Researching the commercial opportunities

5.1.3 Applying scientific research results more effectively

Universities creating companies

Universities should be encouraged to benefit from the intellectual property that is being developed at their institution. This should include investigating the patenting opportunities to a much higher extent and even creating their own company to develop their inventions. It must however be clear when employing researchers what recognition and remuneration both parties get in the research that is carried out, thus ensuring that neither the individual or the institution are left feeling exploited. Universities can also benefit by creating science and research parks near their institutions where research is carried out and an atmosphere of invention and innovation is created.

Universities utilising research

When institutions carry out research they should be able to benefit from the investment that they place both in the individuals and facilities. However, it should be clear that whilst encouraging this it should not develop in such a way that only those researchers that are doing applied or commercially viable research are able to work, universities were created as a venue for new and original thought to develop and this pure research should be given its key place within the community.

Centres of Excellence

5.2.2 Developing European centres and networks of excellence

ESIB does believe that all higher education institutions should strive to realize their potential to the best of their capabilities and in this sense ESIB supports the achievement of excellence in higher education institutions. But, excellence very heavily implies elitism, which ESIB is strongly against. ESIB does not in any way support a possible perspective of having a limited number of institutions recognized as '*excellent*' receiving significant amount of financial resources and top human resources at the expense of other institutions.

Concentration of Research funding

ESIB believes that concentrating research funding will have numerous negative effects, namely:

- the loss of many talented members of staff: if resources are localised to specific sites, then academic staff will be forced to choose between teaching and research. Given that the rewards and esteem for research are far higher, ESIB would expect valued and talented teaching staff to opt for the research avenue, with the gradual erosion of dynamism and creativity within the teaching environment;
- the loss of research opportunities (and postgraduate research opportunities in departments that have an excellent record in supporting postgraduate research);
- increase in the student/staff ratios; and result in
- a deterioration in the quality of the student experience.

The teaching-research link

ESIB believes that the link between research and teaching is a crucial one, to ensure that creative and innovative ways of thinking and doing are transmitted to those – including students – who quite rightly understand that as part of Higher Education. Students need up-to-date, first-hand experience from staff, who have been interacting within the research arena at local, regional, national and international levels. Of course, HEIs have differing missions and may well have certain areas of competence, but this does not normally exclude one of the principal functions that has through a shared history and understanding come to mean higher education.

ESIB members call for:

- **universal research funding to be available where actual or potential research performance is shown, so that all universities are eligible to apply for and expect some degree of research funding;**
- **support for those research units that provide good peer support to research students;**
- **private research funding to be seen first and foremost as an additional source of funding, not a primary one;**
- **a protection system to be set in place for institutional private research funding to safeguard academic freedom; act as a safeguard against bias in academic endeavour and ensure that costs were not passed onto the student;**

5.2.3 Excellence in human resources

ESIB strongly believes in development of individuals through higher education, and in this sense we do feel that achieving excellence in ones own personal development is of utmost importance and is closely linked to the quality of the curricula and HEIs as such. However ESIB is very concerned by the use of “excellence discourse” in the context of higher education and especially when it is used in the connection with human resources. ESIB feels that this can, to a certain extent, imply the creation of the new elites in higher education based on very high admission criteria.

ESIB stresses the importance of acknowledging the need for increasing the number of researchers and importance of research in human and social studies. Human and social sciences play a significant role in developing societies and their role in creation of Europe of knowledge must not be underestimated. The development of a Europe of knowledge must not depend solely on developing the technical and math sciences. ESIB calls for all stakeholders to recognize the importance of equal treatment of human and social sciences and the necessity to develop them at the same pace with the technical and math sciences.

Women in research

ESIB strongly supports the equal treatment of women in all spheres of society and academic structures. ESIB would like to point out that the choice of area and subject of study is a choice of individual and the individual has to have an equal opportunity to enter the HEIs and study the course that they choose to.

While ESIB acknowledges that there is a significant difference in numbers in women and men involved in science and research ESIB does not feel that this can efficiently be solved by introducing the gender quotas. To involve more women in the research and scientific areas of higher education steps such as: efficient system of counselling and advisory for high school graduates, as well as information on the different possibilities of studies. Furthermore there should be the same services offered during the studies so that students have enough information and possibility to discuss their future paths in studying including research and science if they wish to do so.

Further, ESIB does not see that the increase of women in science and research would increase the number of researchers and scientists in general if the increase of women would, through introduction of quotas, decrease a number of men in these areas.

Increasing number of students in research and science

To increase the number of researchers and scientists in Europe a number of issues have to be taken into the consideration:

- The students going into research have to have adequate facilities to study and work
- They have to be involved in research projects or be able to start them on their own
- There is also a need to be an adequate system of mentoring

To adequately fulfil these requirements further resources both in funding and human resources are needed.

Mobility

ESIB welcomes the initiative to remove legislative obstacles to mobility of researchers such as introduction of research visas and residence permits, ESIB finds it very important to undertake such initiatives for students as well.

Further ESIB believes that mobility enriches not only the individual students but the institutions as well in both the academic and cultural sense. To enable genuine mobility in Europe a number of issues have to be addressed.

While not undermining the importance of the cultural experience gained during the study period abroad ESIB stresses the academic value gained as the first and foremost reason of taking a set of courses or a whole academic period abroad. To achieve this goal obstacles in recognition have to be overcome. ESIB calls up on governments to ratify the Lisbon Recognition Convention as a tool in removing the barriers to recognition.

Development of ICT and its use in higher education

However ESIB sees the social barriers as the biggest obstacle towards achieving genuine mobility. One of the core reasons for low mobility rates is the insufficient funding for students and this needs to be seriously addressed. ESIB sees substantial obstacles to mobility on one hand in the influence of economic and educational background of a student and on the other hand in excessive and unnecessary administrative rules. Thus ESIB urgently calls upon the signatory states and parties of the Bologna Process to discuss and implement a European mobility fund or mobility system. ESIB reiterates the need to guarantee equal access for foreign students to all social services offered to domestic students.

With the development of new information and communication technologies, new terms such as e-learning and e-mobility have started to be used in HE community. Even though international experience can to a certain extent be created virtually, real (physical) contacts cannot be replaced by virtual interaction. Physical mobility as such is an irreplaceable value. Although ESIB does see different ways in which students can be mobile, it does not consider e-mobility to be mobility. The very definition of mobility implies movement of person from one place to another, thus e-mobility does not exist.

While e-learning brings many promises, there are a number of issues that remain to be addressed before e-learning can be a useful addition to traditionally delivered courses. Pedagogical innovation and acquisition of useful skills need to be stressed in e-learning courses. Problems related to access and recognition need to be solved urgently. Democratic models for student participation and representation need to be developed and implemented in all e-learning.

Finally, ESIB stresses the need to address issues related to e-learning as a part of a wider higher education policy framework, keeping in mind the general pedagogical, social and cultural aims of higher education in building up democratic societies.

5.3. Broadening the perspective of European Universities

5.3.1. A broader international perspective

Government regulations

ESIB welcomes the initiatives taken by the Commission and several Member States in removing a part of obstacles to mobility of students and researchers through, for example, issuing of “scientific visas”. ESIB calls up on all the governments in Europe to undertake measures in order to reduce obstacles such as visa and residence permits for researchers and students, restrictions on the right and possibility to work in order to guarantee fair and equal treatment of mobile students compared to domestic students. Further ESIB calls up on the higher education institutions to address the inadequate admission policies for the foreign students which significantly hinder the equality of treatment.

Mobility vs. Brain drain

The presence of foreign teachers, students and researchers supports the international atmosphere of higher education institutions in a natural way and gives students possibilities to learn to act in a multicultural environment. Also the academic and cultural experience gained through a study period abroad significantly contributes to both professional and personal development of a student, teacher or a researcher. While ESIB strongly supports mobility both within Europe and in the world, ESIB is very concerned with the increasing brain drain in the third world and south eastern European countries. The large migration of experts from the East to the West of Europe and from the third world countries to developed countries diminishes the possibility of innovation and stands in the way of East, Central, South-East Europe (ECSE) and third countries towards future

prosperity. The development of the ECSE and third world countries depends on the highly educated people able to contribute to the development of democracy, economy and society as such. ESIB feels that awareness about the brain drain both in the national and HEIs structures is still very low and it has to be raised, further ESIB believes that countries gaining highly educated persons from the less developed countries have to contribute to the development of these countries.

Attractiveness of European higher education institutions

To increase the attractiveness of HEIs an effective recognition within the mobility framework has to be found. ESIB call up on all governments in Europe to sign and ratify the Lisbon Recognition Convention. Many useful tools such as Diploma Supplement and ECTS within the Bologna process have been suggested. ESIB strongly supports proper implementation of the above mentioned tools within the Bologna framework that would in ESIBs opinion facilitate mobility. The issue of recognition between the third world and non – signatory Bologna countries with EU also has to be found. There is a significant lack of flexibility in the HEIs that negatively affects recognition even within the institution itself. HEIs should take upon themselves structural changes where they are needed to address this problem. It is needed to stress that decision of taking such reforms is upon HEIs which in their decision making process have to include all stakeholders within the academic community including students.

ESIB once more reaffirms it's position that the prerequisite for development in the international environment surrounding the higher education is co-operation rather than competition.

5.3.2. Local and regional development

Value of universities to local and regional communities

Although there is a need to develop the curricula and the structure of HEIs in a way that they can answer the needs of the emerging international environment, HEIs are very connected to the national economies and societies and their labour market. The HEIs have and should continue answer the specific needs of the society where they are situated.

To address the specific needs of the societies and labour market of the region or local community universities should develop courses and curricula specifically designed for these purposes. There will always be students who will want to work on the development of their local or regional communities, these students need courses and curricula created to meet their needs. Thus the value of such courses and curriculars should not be underestimated, they are in ESIB views equally important to development of courses that are widely applicable.

Regional dimension

A number of regions within Europe have a significant number of similarities in their higher education systems and the needs and challenges they face. It is up to the higher

education institutions and academic communities to see from which possible joint co-operation they would benefit the most, whether it's through joint projects, creations of networks or possible joint courses.

Regional dimension in European research, education and training projects and programmes

Higher education institutions play a key role in the local and regional community, ranging from employing large numbers of staff and attracting students to the region to encouraging businesses to move to university towns to take advantage of the research opportunities and skilled labour market of graduates. Higher education institutions should develop more the links with the local region and vice versa the regional authorities should look to support the institutions. There is often a "town and gown" divide in university towns with the local community resenting the university without recognising the key role that the institution plays in development of the economy and society more generally.

Conclusions

ESIB would like to stress in conclusion a number of points:

- **that higher education is a public responsibility and should be funded primarily through public finances**
- **additional sources of income generation should be investigated and facilitated by government support, whether including alumni contributions or greater contributions from the business community**
- **equal access to higher education has to be preserved**
- **there should be greater links with local community to ensure the development of the local community as a whole**
- **research should not be dictated by financial concerns but on its academic merit**
- **HEIs play a central role in developing knowledge based economy, but they play even a greater role in developing individuals and society as a whole**
- **the role of universities as a place for development of critical thought, culture, language diversity, etc. should not be underestimated**
- **long term perspective of universities development must not be driven by short term demands of market**
- **human and social science has to be treated equally to math and technology science since their contribute equally to overall development of society**