

Brussels, 20 September 2011

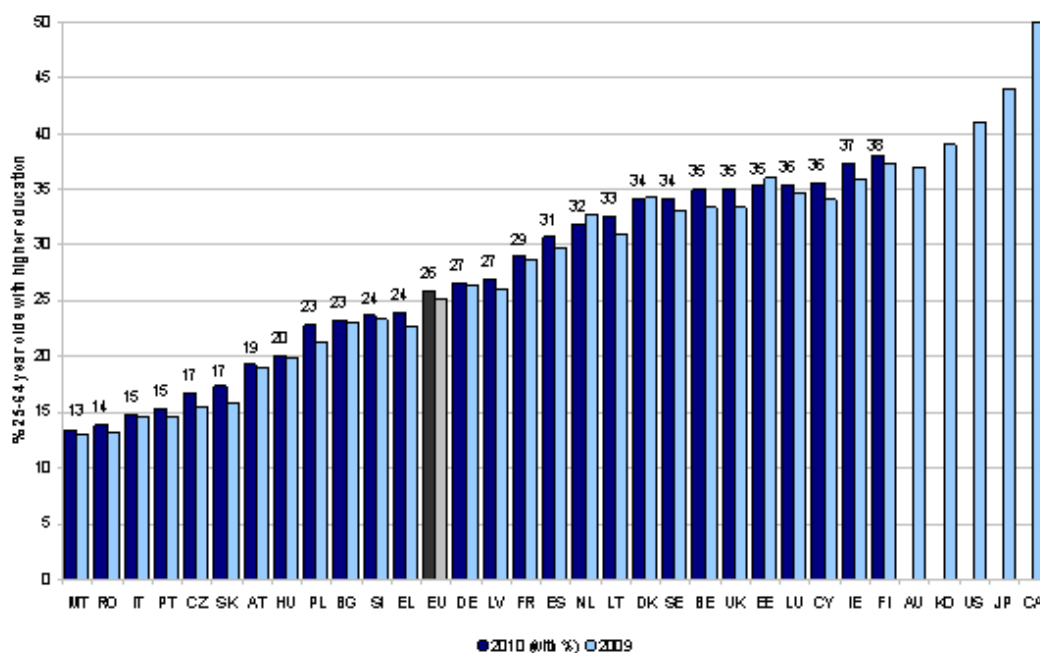
Modernising higher education – facts and figures

[MEMO/11/615](#) and [IP/11/1043](#)

1. Why does Europe need more graduates?

In today's interdependent global economy, success in innovative, high value sectors is crucial to Europe's economic growth and ability to create jobs in the decades to come. Creating and filling the knowledge-intensive jobs of the future requires highly skilled people who can respond to the opportunities and demands of the modern economy. Recent European skills forecasts indicate that 35% of jobs in the EU are likely to require a higher education qualification by 2020¹. But today, only 26% of the European workforce (aged 25-64) holds a degree. This compares with almost 41% in the US, 44% in Japan and 50% in Canada (2009 figures).

Figure 1: Higher education graduates as a share of the working age population (25-64)



Source: Eurostat (for EU-27) OECD, *Education at a Glance 2011* (for US, Australia [AU], Korea [KO], Japan [JP], Canada [CA])

¹ See CEDEFOP (2010) Skills supply and demand in Europe: Medium-term forecast up to 2020, http://www.cedefop.europa.eu/en/Files/3052_en.pdf

2. Doesn't Europe already have a problem with graduate unemployment?

As a result of the economic crisis, unemployment has increased in nearly all EU Member States. While jobless rates among those with higher education qualifications increased between 2008 and 2010 in all EU Member States except Germany, rates of graduate unemployment remain significantly lower than among those with only secondary school qualifications. In 2010, the average unemployment rate among higher education graduates in the EU was 5.4%, compared with 8.7% for those with upper secondary qualifications (those who typically left school or college at 18 or 19) and 15.4% for those who did not complete secondary school or equivalent. As shown in Table 1, higher education graduates have higher rates of employment than those with lower levels of qualification in all EU Member States (data for quarter 4 of 2010).

Table 1: Employment rates by level of educational attainment - 20-64 yr olds (2010 Q4)

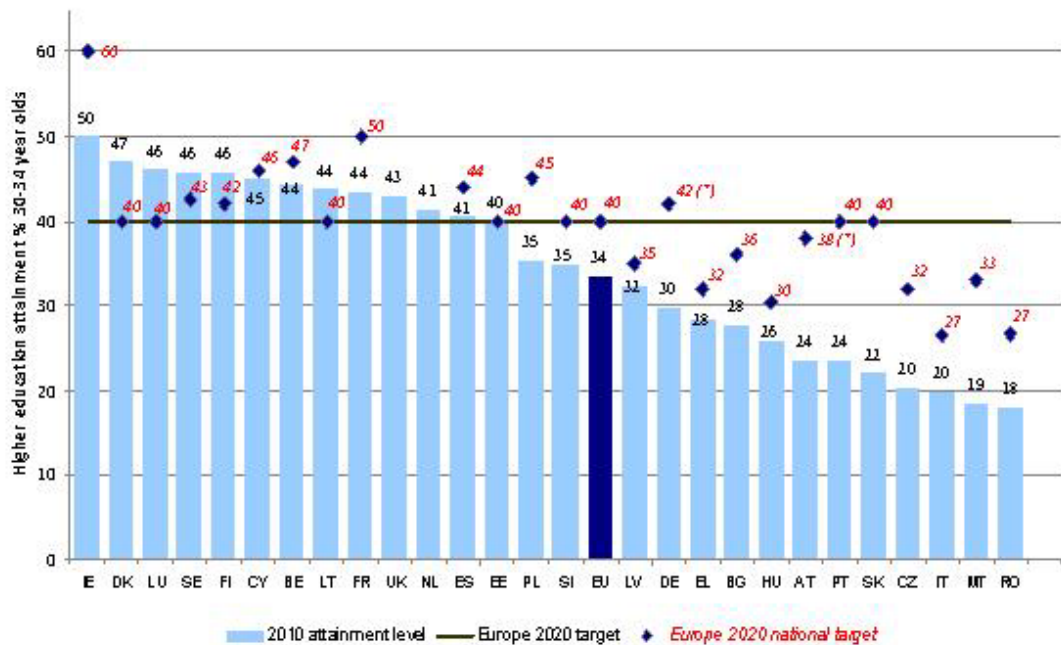
	Total employment rate	Lower Secondary graduates	Upper Secondary graduates	Higher education graduates
Sweden	79.1	63.3	79.5	88
Netherlands	77.1	62.2	79.6	87.1
Germany	75.3	56.7	75.4	86.7
Lithuania	65.9	31.2	59.9	86
Slovenia	69.9	50.8	69	85.9
Denmark	75.6	61.5	77.6	85.8
Austria	75.3	57.6	77.4	85.1
Finland	72.8	53.8	71	84.6
United Kingdom	73.7	55.4	75.3	84.2
Malta	60.4	51	77.3	83.9
Cyprus	75.8	67.7	74.1	83.2
Poland	64.8	39.7	62.8	82.9
Bulgaria	64.7	38.7	66.6	82.8
Belgium	68.3	47.1	70.8	82.6
Latvia	65.8	45.5	63.3	82.4
EU-27	68.6	53.3	69.9	82.3
Romania	62.3	51.5	62.4	81.5
Portugal	70.2	67.3	70.6	81.5
Czech Republic	70.8	42.3	71.4	81.5
Luxembourg	70.7	62	67.6	81.3
France	69	54.6	70.6	80.4
Ireland	64.2	45	62.4	79.8
Estonia	69.5	45.5	67.9	79.6
Hungary	60.7	37	62.4	77.7
Greece	62.7	56.7	59.4	77.5
Spain	62.5	52.5	63.2	77.1
Slovakia	65.1	28.7	66.4	77.0
Italy	61.2	49.8	67.3	76.6

Source: Eurostat, EU Labour Force Survey

3. Where do we stand on the EU's target for higher education attainment?

In June 2010, as part of the Europe 2020 growth strategy, EU leaders agreed a target that 40% of 30-34 year olds in the European Union should have a higher education degree or equivalent level of qualification by 2020. This age group was selected – rather than the working age population as a whole – to make it easier to monitor progress. EU governments have since set their own national targets for 2020, taking account of their national circumstances. In 2010, 33.6% of 30-34 year olds in the EU had a higher education qualification. Figure 2 shows the level of higher education attainment among 30-34 year olds in EU Member States in 2010, along with the national targets agreed as part of Europe 2020². If current trends in higher education expansion continue, the EU is broadly on course to reach the 40% target by the end of the decade.

Figure 2: Higher education attainment among aged 30-34 year olds and national targets



(*) The German and Austrian national targets include attainment of post secondary, non tertiary vocational qualifications³

Source: Eurostat, EU Labour Force Survey

² The Netherlands and the UK have not established formal national targets for higher education attainment. Germany and Austria have included attainment of high-level vocational qualifications (classed as "post secondary, non tertiary" level / ISCED 4) in the definition of their national targets

³ In 2010, the level of "post secondary, non tertiary" (ISCED 4) attainment among 30-34 year olds in Austria was 13.5%, meaning the combined tertiary education and ISCED 4 attainment rate stood at 37%. In Germany in 2010, ISCED 4 attainment among the same age group stood at 11.6%, resulting in a combined tertiary and "equivalent" attainment level of 41.4% (data from Eurostat, EU Labour Force Survey)

4. How much do EU Member States spend on higher education?

Sustained and efficient investment is an important pre-requisite for high quality higher education. As shown in Table 2, the proportion of national income Member States spend on higher education varies considerably, as does the relative balance between public and private spending. In 2008⁴, the average level of direct spending on higher education in the EU, public and private spending combined, was 1.3% of GDP, varying from around 1.1% in Slovakia to almost 2.3% in Denmark. A majority of expenditure on higher education comes from the public purse, although private expenditure is far from insignificant, rising to 0.7% of GDP or above in Denmark, Bulgaria, Cyprus and the UK. Spending on higher education in the EU is considerably lower than in the US, where total (private and public) investment amounted to 2.7% of GDP in 2008.

Table 2: Direct public and private spending on higher education as % GDP (2008)

% of GDP	Direct public spending	Private spending	Direct public + private spending
Denmark	1.57	0.7	2.27
Cyprus	0.91	0.89	1.8
Finland	1.62	0.08	1.7
Latvia	0.92	0.72	1.64
Romania	1.08 (2007)	0.53 (2007)	1.6 (2007)
Netherlands	1.07	0.47	1.54
Bulgaria	0.83	0.69	1.53
Poland	1.03	0.5	1.53
Sweden	1.36	0.17	1.52
Belgium	1.19	0.3	1.5
France	1.15	0.32	1.47
Ireland	1.14	0.24	1.38
Lithuania	0.89	0.44	1.33
Austria	1.12	0.2	1.32
EU-27	0.92	0.39	1.3
Portugal	0.81	0.49	1.3
Germany	0.98	0.25	1.23
Spain	0.96	0.26	1.22
UK	0.39	0.83	1.22
Estonia	0.96	0.26	1.21
Czech Republic	0.92	0.27	1.2
Slovenia	0.93	0.18	1.11
Hungary	0.87	0.3 (2006)	1.1 (2006)
Italy	0.67	0.41	1.08
Slovakia	0.62	0.44	1.06

Source: Eurostat (UOE data collection) No data for Greece, Luxembourg and Malta

⁴ Comparable cross-national data on investment in higher education are complex to calculate and thus do not become available until two years after the reference year

Direct public spending, covers spending on institutions, including on research and development, but excludes student support

5. What is the current situation in the EU concerning tuition fees?

Pressure on public finances is one of the factors underpinning a trend toward the introduction or increase of tuition fees in the EU. The diversity of tuition fee and student support systems around Europe is striking. Tuition fees are an important source of private funding for higher education in some Member States, while others charge no tuition fees to national and EU students.

Table 3: Most commonly charged tuition fees in the first (Bachelor) and second (Masters) cycles, 2009/10 (EUR, PPS⁵)

	1st cycle	2nd cycle
Belgium (French Community)	559	559
Belgium (German-speaking Community)	326	No data
Belgium (Flemish Community)	587	587
Bulgaria	668	668
Czech Republic	28	28
Denmark	no fees	no fees
Germany	187	187
Estonia	2 037	2 037
Ireland	1 252	5 007
Greece	no fees	3 844
Spain	763	1 271
France	147	198
Italy	1 039	No data
Cyprus	no fees	6 560
Latvia	1 785	3 885
Lithuania	2 646	3 307
Luxembourg	No data	No data
Hungary	1 968	2 457
Malta	470	1 680
The Netherlands	1 484	1 484
Austria	no fees	no fees
Poland	69	69
Portugal	No data	No data
Romania	993	993
Slovenia	1 916	2161
Slovakia	15	15
Finland	no fees	no fees
Sweden	no fees	no fees
UK (England, Wales, Northern Ireland)	3 785	7 393
UK (Scotland)	0 / 2 136 ⁶	3 990

Source: Eurydice (2011), 'Modernisation of Higher Education in Europe: Funding and the Social Dimension'

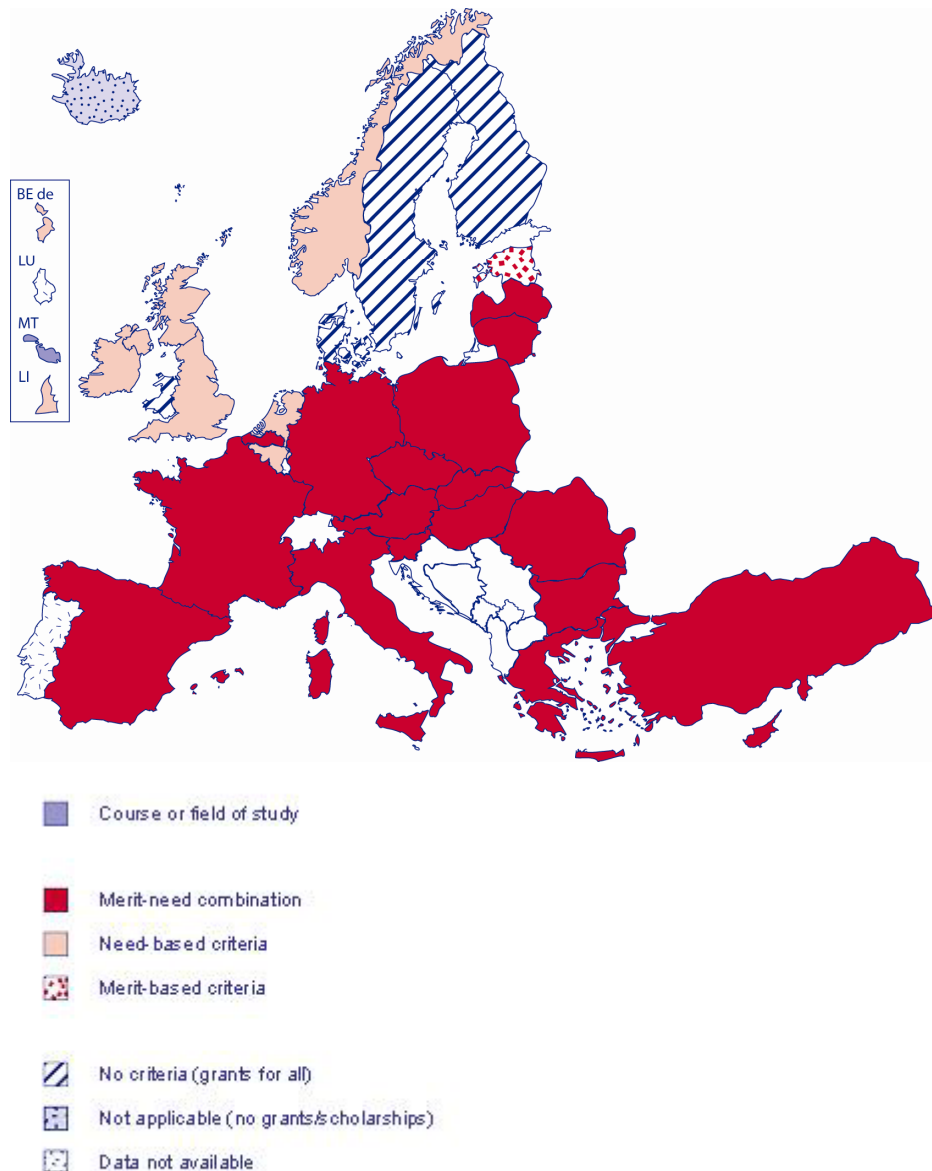
⁵ Purchasing Power Standard (PPS) is an artificial reference currency unit used by the European Union to enable comparison of the value of goods and services between countries. It is obtained using a currency conversion rate (Purchasing Power Parity PPP) which equalises the purchasing power of different national currencies.

⁶ Fee charged to UK nationals resident outside Scotland

6. What about student support?

Whether or not tuition fees contribute to higher education funding, there is a consensus that appropriate student support mechanisms are needed to ensure that those from low income backgrounds are able to access higher education on an equal footing. The main forms of student support are grants and loans, although indirect support measures, such as tax benefits for parents of students in higher education, play a significant role in some countries. As shown in Figure 4, grants and scholarships are generally awarded on the basis of economic need (for example, family income) and / or academic performance or merit. The Nordic countries and Wales (UK) have universal grant systems.

Figure 3: Criteria for awarding grants/scholarships in the first and second cycles, 2009/10



Source: Eurydice (2011), 'Modernisation of Higher Education in Europe: Funding and the Social Dimension'