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Times of Change at European Institutions of Higher Education

Today, I would like to give you some food for thought: It's time for change - not only in the United States of America.

It's time for change in the academic world in Europe, too: The European Union (EU) is constantly evolving: Presently the Union consists of 27 member states with 43 spoken languages and as many cultural traditions and differences.

Before the launch of the Bologna process these cultural and academic differences meant that no one really knew what the degree of an institution of higher education in another European country really was worth. Europe had in place four-year programs, five-year programs and six-year programs. Quite often European universities offered combined undergraduate and graduate degrees, as is the case in Spain, Italy and Germany. I don't know how often I have tried to explain the German "Diplom-Kaufmann" degree to my American friends. This degree has been the only official university degree in Business Administration since the old "Handelshochschulen" (= Business Schools) were integrated into the university system, or since universities established their own "Faculties of Business Administration".

The Bologna process will change the European system of higher education profoundly, and in different ways. In the first place, the Bologna process is about "Harmonization". By 2010 we should have comparable degrees all over Europe on the undergraduate, graduate and doctorate levels. Comparable does not mean equal: Spain will have four-year undergraduate degrees in Business Administration whilst nearly all the other European countries have introduced three-year Bachelor programs. However, once you have harmonized a system you can compare the output, the results and, ultimately, the quality of the graduates.

Europeans have purported for a very long time that their universities basically share the same strengths and weaknesses. This view is confirmed by the Shanghai Jiao Tong University ranking: Most European universities are ranked in the middle field. With the exception of Cambridge or Oxford they are neither excellent, nor really bad.

The situation in the US is different: The US has the best universities in the world (whether you believe in rankings or not). At the same time the US have some of the worst institutions of higher education in the world.

The Bologna process is about "Harmonization". Harmonization leads to increasing competition. Once you are able to compare the academic output, you will have winners and losers in the process. Hence, the Bologna process will have a deep impact on all the European institutions of higher education and will ultimately influence academic institutions worldwide.

Some institutions, mostly the very old, very prestigious public universities, still do not understand the seriousness of the situation. They think they are on the safe side, but they are not safe. The Bologna process is not restricted to the member states of the European Union. All the European countries are in the process of introducing the Bologna system, from Albania to Russia and to the Vatican.

Many institutions in Europe have understood this and they accept the challenge. They reacted promptly. Most of the front-runners are private or semi-private. Many specialised institutions are gaining recognition worldwide and in major rankings. We find 29 "five palms" schools in Europe in this first Eduniversal rating. Insead, Iese, Instituto de Empresa, IMD and London Business School are doing very well.

You will find surprises too: Belgium rightly accommodates three "five palms" institutions, though economically the small country is not doing very well. Germany and Italy each have only one "five palms" institution. The Netherlands has as many "three palms" institutions as Spain.

To conclude, let me speak about a few trends - threats and opportunities- for European universities.

The number of Bachelor and Master students in the EU will in total probably remain more or less steady over the next seven to ten years.

However, the composition of the student body will change. We will see a slowly decreasing number of Bachelor and consecutive Master students. This downturn will be counterbalanced by life-long learners (either part-time, late-time, or executive students). The increasing competition will lead to crowding-out effects, first, but not only, on both the undergraduate level and the consecutive Master level.

Lifecycle-oriented human resource concepts will lead to more and more mid-life blended learning degrees.

The average age of the German workforce will in many companies soon be between 45 and 50. The situation in many other European countries is similar

The more experience people have, the more the importance of degrees as such will decrease, and the more the importance of competences will increase. We are moving from input to output driven systems.

According to a GMAC estimate about 12,000 Master degrees are already competing in Europe alone. The market will become less transparent. Hence, the influence of premier, high quality institutions will increase (rankings, media, accreditations).

The Master market will be a flat world – institutions in Australia, India, the Netherlands and Germany will compete with the same competitors for the same students.

The cross-border mobility at the undergraduate level in Europe (and beyond) will stay limited.

The professionalism of public universities in Europe (and elsewhere) will improve.

Employability will be key – as with the leading MBA programs in the world.

For the first time European Science and Arts Bachelors can gain first work experience and then return to do an MBA program. That means they can obtain two university degrees within five years – instead of six to ten years of university education for two diplomas as in the past. The Bologna process opens up a huge market potential.

As I said at the beginning: It's time for change in the academic world in Europe. Start now.