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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**A new partnership for the modernisation of universities: the EU Forum for
University Business Dialogue**

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University Business Dialogue**

(Text with EEA relevance)

1. A TOPIC OF EVER GREATER IMPORTANCE

Universities¹, with their triple roles as providers of the highest levels of education, advanced research and path-breaking innovation, are at the heart of Europe's knowledge triangle. They have the potential to be crucial drivers of Europe's ambition to be the world's leading knowledge-based economy and society. This has been recognised in EU-level policy making since the Hampton Court Summit of October 2005; at the same time, the need for change if they are to meet their potential is clear. Nine areas for action were mapped out in the Commission Communication "Delivering on the Modernisation Agenda for Universities: Education, Research and Innovation" of May 2006². Since then the modernisation agenda has been the subject of extensive policy exchange, with progress being regularly reviewed by the Council of Ministers³. The Commission has further proposed to make the modernisation of universities one of the priority themes in the new framework for policy cooperation on education and training within the Lisbon strategy.⁴

A key element within the agenda set out in 2006 was that universities should develop structured partnerships with the world of enterprise in order to "become significant players in the economy, able to respond better and faster to the demands of the market and to develop partnerships which harness scientific and technological knowledge". The Communication suggested that enterprises could help universities to reshape curricula, governance structures and contribute to funding.

On this basis, the Commission launched the University-Business Forum as a European platform for dialogue between the two worlds. The first Forum meeting in February 2008 was followed during 2008 by three thematic workshops⁵. A second plenary Forum in February 2009 gathered together around 400 participants and, in addition to workshops on different themes, involved stocktaking of lessons learned and a discussion of possible future directions for the Forum's work.

¹ In this document the term "universities" is taken to mean all higher education institutions, irrespective of their name and status in the Member States

² COM(2006) 208 final

³ For a synthesis of issues and actions undertaken see COM(2008) 680 of 30 October 2008 Report from the Commission to the Council on the Council Resolution of 23 November 2007 on Modernising Universities for Europe's competitiveness in a global knowledge economy.

⁴ COM(2008) 865 of 16 December 2008: An updated strategic framework for European cooperation in education and training

⁵ Continuing Education and Lifelong Learning (Brussels, 30 June 2008); Curriculum Development and Entrepreneurship (Tenerife, 30-31 October 2008); Knowledge Transfer (Brussels, 7 November 2008)

The very high attendance at the February 2009 event shows the importance which stakeholders attach to the Forum. Participants referred frequently to the context of economic downturn in which the event took place and argued that there was renewed urgency to building better business-university links as a means to strengthen Europe's knowledge triangle. This Communication seeks to respond to this sense of urgency.

2. TAKING STOCK AND MOVING FORWARD: PURPOSE OF THE COMMUNICATION

University-business cooperation involves two communities with marked differences in culture, values and missions. Examples of successful cooperation between the two sides exist throughout Europe and EU programmes have sought to build partnerships between the two domains, normally focusing on partnerships in specific areas such as research or student mobility⁶. But the level of cooperation remains very unequal across countries, universities and academic disciplines. Furthermore, the extent to which such cooperation has influenced governance or organisational cultures in the two sectors concerned is limited. Few universities have an institution-wide strategy for cooperation with enterprise; those that do are concentrated in a small number of Member States. In many countries the legal and financial framework still fails to reward or may even inhibit the efforts of universities to cooperate with business.

The purpose of the present Communication is:

- To take stock of what has been learned from the first year of the Forum and other relevant activities at European level about the challenges and barriers to university-business cooperation, the issues to be addressed and good practices and approaches which could be more widely used. A Commission Staff Working Document (SWD) develops this aspect of the work at greater length.
- To make proposals for the next steps in the Forum's work.
- To outline concrete follow-up actions to strengthen university-business cooperation.

3. ISSUES AND CHALLENGES

The Forum's reflections to date can be summarised under 6 main themes. Every section includes a box highlighting an example of good practice.

3.1. New curricula for employability

The competitiveness of economies is increasingly dependent on the availability of a qualified and entrepreneurial workforce. The *New Skills for New Jobs* initiative⁷ has confirmed that the EU's need for highly-qualified and entrepreneurial graduates will continue to grow in the years ahead. At the same time, enterprises within the Forum report a mismatch between the

⁶ For a description of EU programmes which foster higher education – business partnerships, see the Staff Working Document, Section 3.

⁷ COM(2008)868

competences of graduates as they emerge from universities and the qualifications which they seek as employers.

The employability challenge has been, without doubt, the key issue before the Forum, to which the reflection returned again and again.

There was consensus on the need for comprehensive change to curricula and learning methods and for:

- the inclusion of transversal and transferable skills and of fundamental notions of economics and of technology in curricula at all levels of qualification. Curricula should be "T-shaped": rooted in the specific academic discipline while at the same time interacting and cooperating with partners in other disciplines and sectors;
- Better examination methods, more geared towards the assessment of learning and competences;
- Greater diversification of admission profiles and approaches to learning in order to tap talent from non-traditional backgrounds, including adults returning to study;
- Greater interdisciplinarity and transdisciplinarity of education and research agendas. Forum participants made frequent references in this regard to the way in which the EIT will in future embody these approaches in its operation – this was seen as showing the way for such approaches more broadly in higher education.

Curricular change of the magnitude and at the pace sought is only possible if the internal structure of universities provide an enabling and rewarding framework. Internal quality assurance (QA) and external accreditation systems should pay more attention to the social and economic relevance of learning programmes. Accreditation agencies should include representatives from learners as well as of business and society at large

A number of accreditation agencies include business representatives in their decision making body, e.g. ACQUIN in Germany, HETAC in Ireland or CTI in France. The latter is responsible for engineering curricula and counts an equal number of members from academia and from industry; transversal skills and interaction of students with industry are core requirements for accreditation. (SWD, Section 5.2.4)

3.2. Fostering entrepreneurship

The comparatively low levels of entrepreneurship in the EU⁸ call into question Europe's ability to foster growth and jobs. The challenge for higher education is to provide learning environments that stimulate independence, creativity and an entrepreneurial approach to harnessing knowledge. A regular flow of students and faculty members from university to business and a constant presence of business people on campus would help create the required change in culture. A good example in this respect can be found in the postgraduate training programmes funded by the Marie Curie Initial Training Networks that focus on entrepreneurial skills.

⁸ Cf. Staff Working Document, Section 2.3: the Global Entrepreneurship Monitor 2007 shows entrepreneurship rates 2 to 5 times higher in China than in EU countries.

There should be an expansion of existing forms of cooperation with business such as conferences, internships and project work (individual or in multidisciplinary groups). Extra-curricular opportunities were seen as valuable, e.g. junior consultancy companies or incubators providing customized support to university students and staff who articulate concrete ideas for new business ventures (start-up, spin-off companies). All these activities should reach students from an early stage in their studies and should be more strongly integrated into curricula.

It was seen as particularly important that the training of future school teachers and trainers should build positive attitudes and openness towards business as a source of progress, jobs and welfare.

The main conclusions are that

- The development of an entrepreneurial culture at universities requires profound changes in university governance and leadership;
- Entrepreneurship education has to be comprehensive and open to all interested students, in all academic disciplines, with due regard to the gender perspective;
- Universities should involve entrepreneurs and business people into the teaching of entrepreneurship, for example via the establishment of visiting professorships to outstanding entrepreneurs;
- Equally, professors and teachers should have access to training in teaching entrepreneurship and exposure to the business world.

The International Danish Entrepreneurship Academy (IDEA) network encourages entrepreneurship in students from both higher education and further education institutions through financial support, mentoring, courses and networking opportunities. IDEA is financed by grants from the state, counties and municipalities and private sources. (SWD, Section 5.5.3)

3.3. Knowledge transfer: putting knowledge to work

Europe is productive when it comes to the generation of knowledge. The challenge is, however to improve the use and exploitation of publicly funded R&D. Although there are a number of programmes strengthening pathways by which the knowledge generation capacities of public higher education and research can work together with enterprises to bring innovations to market, the level of lasting strategic cooperation between the two sectors remains too low.

Universities need to develop policies for the professional management of intellectual property. Doing so will help them meet several aspects of their mission, for example to generate socio-economic benefits for society and to attract the best students and researchers. To support universities and to provide a more coherent framework for knowledge transfer activities the Commission has adopted a Recommendation on the management of intellectual property in knowledge transfer activities and a Code of Practice for universities and other

public research organisations⁹. Also, the "Responsible Partnering" initiative provides a guide¹⁰ to better practices for collaborative research and knowledge transfer between universities and industry.

In summary

- Knowledge transfer between universities and enterprises will work best where there is a general framework of cooperation and mutual understanding, involving partnerships, joint projects and the exchange of people;
- Universities should ensure interdisciplinarity; monodisciplinary solutions are rarely the answer to real world problems;
- Universities and public research organisations should have a clear long term strategy for the management of Intellectual Property Rights (IPR);
- The particular challenges faced by SMEs if they are to enter into partnerships with universities need to be addressed. Universities need to reach out to SMEs. For universities, having access to, or own a knowledge transfer office will facilitate cooperation with SMEs, as they are a portal and interface between universities and the private sector.

The University of Twente (NL) runs a knowledge park and business accelerators which bring together the knowledge generated in the university with the regional business community. Those who wish to start a company receive customised supported via the university's TOP programme (Temporary Entrepreneurial Positions). The University offers also a growth programme targeted at owners of companies. Both include training modules and networking activities. (SWD, Section 5.6.1)

3.4. Mobility: across borders and between business and academia

In spite of a number of success stories with student placements, industry-academia mobility programmes under the Seventh Framework Programme (FP7) and collaborative project work between universities and industry, the overall level of contact, interaction and mobility between the two sectors remains far too low. Internships, research mobility programmes and collaborative project, which allow students to work with or within a company, alone or in interdisciplinary groups, should become an integral part of learning programmes in all disciplines and should carry European Credit Transfer System (ECTS) credits.

Mobility should also involve academic and university management staff, thereby allowing universities to build up the networks from which future internships, employment and projects for students can be developed. The direct exposure of staff to the reality of business will help to understand and anticipate the changing training and innovation needs of industry. There are, however, still significant legal and administrative obstacles to the mobility of university staff to business companies, e.g. relating to social security and pension regimes.¹¹

⁹ COM (2008) 1329

¹⁰ <http://www.responsible-partnering.org/>; developed by leading associations from academia and industry (EUA, EARTO, EIRMA and ProTon Europe)

¹¹ COM(2008) 317 Better careers and more mobility: A European Partnership for Researchers

In the opposite direction, the stronger involvement of enterprises in university boards, research agendas, admission panels, curriculum design, course delivery and QA systems can significantly improve universities' teaching, research and innovation. Again, it remains limited in many countries, either for legal or cultural reasons.

In order to make progress it is important that:

- The value of mobility needs to be promoted and recognised by university and business in all its different modalities and at all levels; in particular SMEs should participate more in internships;
- Legal frameworks have to be adapted to support and facilitate mobility between university and business;
- Mobility of academics, researchers or students to business needs to be recognised and accredited.

In Valencia, ADEIT¹² is an organisation with the specific objective of linking the university to its social environment. It focuses on university student placements in organizations or enterprises. ADEIT places 1500 students per year with companies and they train tutors on both sides of the placement. They also manage Professor Internships where professors work in companies for up to 100 hours. (SWD, Section 5.4.4)

3.5. Opening up universities for Lifelong Learning

Improving employability involves not only those who enter the labour market: the upgrading of competences for those already in the workforce is an equally important challenge¹³, even increased as job losses mount in the current downturn. The review of progress in the *Education & Training 2010* work programme shows that the participation rate of adults in lifelong learning¹⁴ is rising too slowly and only in certain Member States.

At a time when student numbers may well start to turn down for demographic reasons, continuing education would seem to represent a hugely important potential opportunity for universities. Nevertheless, universities open themselves only to a very low share of the market for continuing education. A comprehensive reorientation towards delivering lifelong learning is required.

The European Universities' Charter on Lifelong Learning¹⁵, adopted by the European Association of Universities (EUA) was presented and discussed at the Forum. The document sets out 10 commitments for Universities covering wider access to learning, diversifying the student population and increasing the attractiveness of study, lifelong learning in a quality culture and stronger local, regional, national and international level.

¹² <http://www.adeit.uv.es>

¹³ COM(2008)868 final; New Skills for New Jobs.

¹⁴ Progress towards the Lisbon objectives in Education and Training – indicators and benchmarks 2008, European Commission Staff Working Document, SEC(2008)2293.

¹⁵ European Universities' Charter on Lifelong Learning, 2008; ISBN: 9789078997009, EUA; www.eua.be

Continuing education needs close contact between university and business which allows them to identify and then address demand for new/updated skills at the local and regional level. It is of prime importance that:

- Lifelong Learning (LLL) is to be fully integrated into the missions and strategies of universities;
- The updating/upgrading of skills has to be valued and recognised on the labour market and by employers;
- LLL has to be developed in partnership with enterprises – universities cannot design and deliver alone.

In Western Sweden, 3 universities have developed tailor-made distance-learning courses for SME employees as a means to boost the competitiveness of these enterprises and of the region as whole. The courses address crucial questions for SMEs such as better production techniques, Economics, Logistics, Product Development and Total Production Management. Most of the employees who take these courses are in their forties and have not studied at university level before. (SWD, Section 5.3.2)

3.6. Better university governance

The Forum focused on governance at national, regional and institutional level as a precondition for effective collaboration between university and business.

At national level, changes are sought in legislation, funding arrangements and incentive structures which were seen as either not supportive of or sometimes hostile to university-business cooperation. Such cooperation should be part of the overall strategy of universities and included in development planning and objective setting. Collaborative work with industry should be acknowledged as equally important as academic tasks like publishing for career advancement and compensation.

Intermediary organisations or business associations are important actors as they can represent a good interface between universities and companies, in particular for SMEs. In addition, there are a number of European, national or regional bodies or agencies also supporting cooperation between universities and business. They can be effective structures to make progress in this field.

In the UK, the Council for Higher Education and Industry (CIHE) looks into learning issues that affect the country's competitiveness and social cohesion, and tries to foster close working and understanding between business and higher education. In Germany, the Stifterverband für die Deutsche Wissenschaft acts as the industry's joint initiative for supporting research and higher education. It forges bonds between universities and non-academic research institutions, links science and industry and encourages the creation of a single European education and research area. In Spain, the Foundation Conocimiento y Desarrollo (CYD) aims to improving the governance, accountability and universities management; enhancing ties between universities productive system and society; promoting the entrepreneurial and innovative culture among the university professors and students. (SWD, Section 5.1.1)

Effective university-business cooperation is seen as being particularly important for regional development¹⁶. The success of many innovative regions in the US and in Europe has been based on a triangular partnership involving universities, business and government, for policy orientation and funding.

In Finland, the e-Tampere programme links the Tampere city's vision for 2012 with several SMEs and larger companies and 2 universities. It has launched almost 400 local, regional, national and international projects drawing on extensive cooperation between university research, business and government from the perspective of technology, economy and society. (SWD, Section 6.1)

The principal conclusions are:

- National and regional framework conditions have to provide a supportive environment for Universities to engage in cooperation with business;
- University-Business cooperation has to be embedded in institutional strategies; leadership and effective management of human resources are crucial for the implementation;
- Governance has to ensure that relevant incentive and assessment systems that are in line with the mission, the role and the strategy of universities are put in place.

4. FUTURE STEPS

In one year the work of the Forum has already yielded important results. The Commission welcomes the wealth of ideas and the quality of the reflection generated. It will draw on this work as it further promotes the modernisation of Europe's universities, both through policy cooperation and through actions under its programmes.

The Commission proposes two forms of follow-up action. Firstly, responding to the wish strongly expressed by the Forum participants to continue and deepen the work, a future programme of work is mapped out. Secondly, the Forum has identified a number of issues and potential lines of action which deserve attention as soon as possible, notably in the context of the economic downturn, aimed at improving university-business partnership on employability. A series of concrete actions is proposed.

Continuing the dialogue

- The Forum will continue with the structure of plenary meetings and thematic seminars. In addition, a web space for the sharing and disseminating of experience and for communication will be developed.
- The Forum has been effective so far in mobilising representatives of the two worlds, universities and enterprises, including intermediary organisations and business associations. The partnership needs also the active involvement of national governments and regional authorities. In the next phase there should therefore be a stronger involvement of relevant public representatives.

¹⁶ Higher Education and Regions: Globally Competitive, Locally Engaged; OECD 2007

- Drawing on the dialogue to date and on work ongoing in other areas, the following issues should be discussed:
 - Ensuring that the university world responds effectively to the 'New Skills for New Jobs' agenda and to the challenges posed by the economic downturn;
 - partnerships for regional development;
 - partnerships with SMEs;
 - diversification of approaches to learning and building bridges between various types of higher education;
 - QA and accreditation as tools to support university-business cooperation;
- There have been frequent expressions of interest in the work from outside the EU. The Forum should be more explicitly open to actors from beyond the EU (in practice, many international enterprises have already participated) and should include a strong future focus on lessons which can be learned from partner countries. The Commission will, in its contacts with relevant public authorities in partner countries, publicise the work of the Forum and invite their participation.

Developing new Partnerships

- The Forum has argued for the creation of new forms of structured partnership between business and universities to develop and deliver educational courses. Such partnerships would echo the structures developed within the Technology Platforms, the Marie Curie Industry-Academia Partnerships and Pathways (IAPP) under FP7 and the Knowledge and Innovation Communities (KICs) within the EIT. The Commission proposes to explore immediately how such partnerships could be supported via relevant EU programmes, with a view to launching calls for proposals for exploratory actions under the Lifelong Learning programme (LLP) in 2010.
- The issue of extending the scope of the platform for dialogue to other fields of education and training – notably secondary schools and VET institutions – has been raised frequently by the enterprise side within the Forum. The potential for business to contribute to teaching of entrepreneurship, for example, is clearly high¹⁷. The Commission will explore how existing programmes – for example the Leonardo da Vinci and Comenius programmes – and initiatives as European Schoolnet can be used to bring enterprises and schools together in education partnerships, and how cooperation might be promoted via a European coordination body. The Commission intends to invite stakeholders to explore future possibilities for cooperation between enterprises and schools and VET institutions at a conference or seminar in the autumn.
- The development of the university-business dialogue at EU level should stimulate a similar dialogue at national and regional levels. The Commission will, in the context of its policy cooperation with Member States on education and training, encourage national authorities

¹⁷ The Commission is currently setting up a European high level reflection panel on Entrepreneurship education involving representatives from all Member States and the EEA countries to support the development of more coherent approaches

to establish similar national-level dialogue structures. It will explore how Structural Funds could be used to support regional initiatives in this regard.

- The Commission will launch a study to establish an inventory on existing best practices in the field of cooperation between universities and enterprises.

The right time for a strong new push for university-business cooperation is now. In times of economic downturn, when graduates face greater difficulty to find jobs and enterprises are subjected to higher competitive pressure, the economic and social value-added of university-business collaboration should make it even more a priority.