



Trinity College, Dublin



Weathering the Storm

**The Impact of the Financial Crisis
on Europe's Higher Education Sector**

BY DAVID TOBENKIN



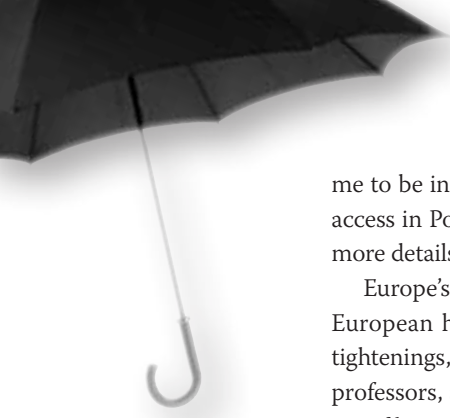
TIAGO FLEMING OUTEIRO IS A SUPERSTAR in Portuguese academia. In 2007, after garnering a PhD from MIT and a postdoctoral fellowship from the Harvard School of Medicine, Outeiro declined more lucrative career alternatives in the United States and returned to Portugal, the least-developed country in Western Europe, to help build the country's scientific prowess. He is now a leading researcher at the University of Lisbon and its affiliated Institute of Molecular Medicine, where he researches the molecular basis of neurodegenerative disorders like Alzheimer's and Parkinson's diseases.

In October 2011 the Portuguese government announced a sharp, 19.5 percent, cut in governmental support for higher education and social education. The cuts were caused by austerity measures instituted in response to the country's financial crisis and reversed years of strong investment by the Portuguese government to help its higher education sector catch up.

Outeiro says he is an optimist by nature. Nonetheless, he believes that there is little doubt what the budget cuts will mean for his work, and for scholarly pursuits throughout Portugal, in the years ahead.

"This will make it hard to maintain things at a good level and all the investments in previous years will be compromised," says Outeiro. "We won't be able to get the latest equipment and the best researchers."

Recently, Outeiro hedged. He supplemented his position at the University of Lisbon with a position as a professor and the director of the Department of Neurodegeneration and Restorative Research at Germany's Göttingen Graduate School for Neurosciences, Biophysics, and Molecular Biosciences. "I came there before the crisis, but it was a fortunate time, as it allows



me to be in a slightly safer position. I can combine my access in Portugal and in Germany,” Outeiro says. [See more details on the situation in Portugal on page 70.]

Europe’s ongoing financial crisis is rippling through European higher education in a wave of painful belt tightenings, reforms, and reflections by administrators, professors, and students upon how best to navigate an era of less.

The mission for the countries of the European Union has been to forge a common economic, political, and social destiny. But when it comes to higher education, students and educators in European states that are smaller, weaker, or less structurally robust, such as Portugal, are finding that a historic recession has intensified the challenges they have faced in higher education. And efforts toward European integration notwithstanding, they are finding those challenges remain very much their own to confront.

Overall, at least 12 European national governments, which generally fund the bulk of higher education in their educational systems, cut higher education funding substantially or drastically (at least five percent) as of first quarter of 2011, according to the European University Association. That was the latest data tracked and came before Portugal’s cuts were announced. At least 10 other countries reported indirect or moderate cuts, or curtailed previous education funding commitments.

Those are cuts in a continent that already spends less on a per capita basis on higher education than does the United States at the federal and state level, notwithstanding the primary responsibility of the European nation states for higher education funding, unlike the United States, where student tuition, philanthropy, and proceeds from existing endowments form much larger segments of the higher education funding mix. The situation is slightly brighter on the research front, where the European Union has extended large amounts of research grants, but even there many academics say such funding is insufficient to offset national cuts from funding levels that were relatively low to begin with.

The cuts also come despite protestations by international educational experts that if government spending must be decreased in response to the crisis, higher education is not the place to make cuts. “We say, ‘please make sure you continue to invest in the future and take the side of investment as opposed to austerity,’” says Dirk Van Damme, head of the Centre for Education Research and Innovation at the Directorate of Education of the Organisation for Economic Co-operation and Development (OECD). “It’s very important to accelerate growth, and to do that you have to invest in innovation and have high levels of human capital because there are few other sources of future growth.”

The continent’s stronger economic performers, like Germany and France, have weathered the storm relatively

well, with large recent increases in higher education funding and no major cuts. In contrast, smaller and historically less developed countries with financial cost overruns, bubbles, or ongoing educational structural challenges, including countries such as Greece, Ireland, and Portugal, have been particularly affected. Of late, major Eurozone economy Italy has joined the list of countries of greatest economic and higher education concern. A look at how the economic crisis affects the educational systems of those four countries provides a snapshot of some of the crisis’s deepest impacts upon the continent.

The Challenge

The economic crisis has multiple origins. It partly reflects the global malaise that is also impacting the United States economy and its higher education institutions. But there are also very specific causes in each European country that have exacerbated the crisis. In Greece, it was overspending, corruption, tax evasion, and financial mismanagement. In Ireland, it was throwing too much money at various sectors, a real estate bubble and related bank default, and a very small country’s vulnerability to EU and global vicissitudes. In Italy and Portugal, factors include low growth, oversized public sectors, and high debt.

In all four countries, major cuts have either flowed down, or are expected to soon flow down, to the higher educational systems through public employee wage reductions, employment caps, education budget cuts, and consolidations of higher education institutions. Compounding the problem is that these countries, with the possible exception of Ireland, face major structural challenges in higher education that predated the financial crisis. Addressing those structural challenges necessitates doing even more with fewer resources.

In several of the countries, academics say that universities and faculty have made necessary adjustments and that quality has not yet suffered significantly. They say, however, that if economic austerity continues or increases at their institutions, quality almost certainly will begin to decline, with many forecasting 2012 and 2013 as bellwether years that could determine the fate of the higher education systems of these countries.

“The critical year of the [Portuguese higher education] system and the country at large will be 2012,” says Pedro Nuno Teixeira, director of CIPES, the Portuguese Center for Research in Higher Education Policies and an associate professor of economics at the University of Porto. “That is not only because of the impact of the drastic austerity measures, but also the significant impact on consumption, business, the economy, and on social issues. I think in 2012 we will still be able to manage, but let’s see the situation in one year.”

“The system at higher level has seen a reduction in core funding and, by and large, to their credit, it has absorbed an awful lot of that reduction without diminution in quality or, indeed, in quantity. But there is general recognition of a developing crisis in the funding of the third level sector,” says Irish Minister for Education and Skills Ruairi Quinn. “We’re looking for symmetries and for collaboration across different institutions so that we can eliminate a lot of the duplication that’s already there. That will give us some time. I’d say about two years, but not much more.” [See the in-depth interview with Ruairi Quinn on page 28.]

“I’d say whatever ‘fat’ was in the [Irish higher education] system has been removed,” says Brian MacCraith, president of Dublin City University and president of the Irish Universities Association, an

organization of the country’s seven public universities, as a result of spending cuts in Irish higher education. “We’re right at the bone. That provides a serious challenge if cuts continue to the same degree. The trend of two diverging curves—an upward curve of student numbers and a downward curve of funding—is not sustainable.”

Teixeira, like many academics, says debt-ravaged Greece is the proverbial canary in the coal mine as the continent’s weakest economic link. “There is an illusion in many parts of Portugal that if we are well-behaved and if Greece gets into trouble we will be spared. However, the consensus of many is that if Greece falls, Portugal will be next. Part of the European challenge is that it will be hard to stop the chain reaction if one country falls. That’s why the current [Greek debt restructuring] negotiations are so important.”

A Greek Tragedy

IN EARLY 2012, the specter of bankruptcy loomed over Greece. Even the likelihood of an additional European and International Monetary Fund €130 billion (\$171 billion) bailout was greeted with lukewarm praise given the failure of a previous €110 billion (\$145 billion) fund to significantly alter the country’s dire financial state and the reality that austerity measures tied to the new funding will likely reduce governmental funding further. The dismal state of Greece’s overall financial health was matched by dire educational challenges. Like most European countries, public education predominates and the country foots most of the higher education bill. Now, national funding cuts are endemic, faculty and students are fleeing, and a dramatic new law designed to address structural shortcomings in higher education remains largely unimplemented.



Academy of Athens

The magnitude of educational cuts has been extraordinary. University budgets have been cut in half since 2010, salary cuts averaging 20 percent were required of all the nation's public workers, and a policy of replacing every 10 academic retirees with one new replacement has been instituted.

The economic tragedy of the greater Greek society is crashing into the walls of academia in ever-widening ways. Welcome to the Kafka-esque world of Euripides Markou, a 42-year-old computer science lecturer in the Department of Computer Science & Biomedical Informatics at the University of Central Greece in Lamia, Greece, some 200 kilometers north of Athens. In addition to teaching a course-load of four classes to more than 60 undergraduate students and four graduate students, he pursues research in theoretical computer science designing and analyzing algorithms. His wife works as an administrator at the National Technical University of Athens.



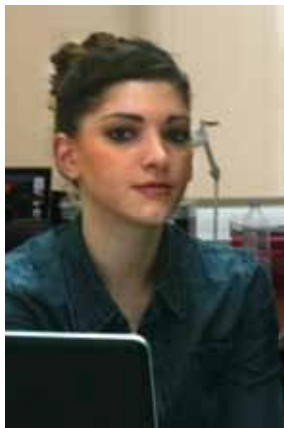
Euripides Markou teaches at the University of Central Greece but has recently started looking overseas for academic positions.

“They are hiring one person for every 10 retired here; other departments, such as math and physics, are going down in numbers as people retire, but we are gifted in that over the past few years, computer science was exploding and the state put a lot of emphasis into it.”

Before the financial crisis in Greece began, their combined incomes were €37,000 (\$50,000). They now they make about 15 percent less than that, €32,000 (\$43,000). Markou says that when the crisis first began to impact his life, it had a certain comical aspects, particularly given his mathematical background.

“It was really sort of tragic and funny at the same time,” Markou says. “Every month we were getting different salaries and sometimes there were lots of errors. The guy responsible for calculating salaries didn’t know how to do it, partly because they kept correcting things until the last moment because of the budgetary instability.”

The humor soon faded as those and other cuts began to impact him both personally and professionally. Markou used to drive down to Athens to see his wife each weekend. Now he



Froso Doutsis, Markou’s student, will graduate this summer with a bachelor’s degree in computational biology. Her graduate school plans are on hold due to the economy.

visits her once per month to save money; in February and he hadn’t seen her since Christmas. There was no summer vacation in 2011; just a visit to the homes of some friends. And the old treat of a night at a restaurant is a rare occurrence.

The situation of computer science classroom instruction is grim. Since the government reduced funding for seven temporary professors to one last September, his department has had to remove five

elective courses because the department has no professors qualified to teach them. It has only been able to teach many other courses because four professors who are unaffiliated with the university have volunteered to teach without pay. It is unclear if they will continue to do so next semester, says Markou, who also worries about what quality of instruction can be expected from the unpaid.

When he looks out across his classrooms, he sees more and more empty seats and the students he does see often look tired. “There are not so many smiling faces,” Markou says. While tuition is free, as is the case nearly universally at the undergraduate level in Greece, many students’ families can no longer afford lodging in Lamia. So the students either withdraw entirely or move back to their families’ home towns and attempt to rely on the notes of friends who continue to attend, a strategy Markou says is usually futile. Many of the tired faces he does see belong to the students who stay in Lamia only by dint of working one or two jobs on top of their studies, often restaurant and bar jobs that pay three or four euros per hour, while renting dilapidated houses that sometimes lack heat. Not surprisingly, those students often lack the energy to excel in the classroom, Markou says.

Greek Students' Futures at Stake

For many students, their educational worlds and future hopes appear to be collapsing around them. Froso Doutsis, 23, is one of Markou's best students and will graduate this summer with a bachelor's degree in computational biology. Plans for obtaining a master's degree in bioengineering or nanotechnology and then perhaps a doctorate were in the works for after graduation. Now she is not sure. "Now, I think that the budget I'd spend for education, maybe we'll need for my family to live, so I won't have the chance to go abroad to study," says Doutsis, who hails from Naousa, 300 km north of Lamia. "They can still afford to support my current studies, but they may not be able to support any post-graduate education. My father is retired and my mother works in a shop. I teach piano lessons at a local music school, but what I earn is not enough to support myself."

Then there is research. Markou says he is fortunate that he is a theoretician and needs little more than a white board and markers; colleagues who need laboratory or other resources face far greater challenges in the current environment of cutbacks, he says. Still, he says being an effective academic requires interacting with colleagues in other countries and that is becoming markedly more difficult. In the past, faculty received €2,000 to €3,000 per year to cover the expense of travel to academic conferences and to visit colleagues. That is now gone. Markou says, through his own vigorous efforts in 2011, he obtained grants to visit Slovakia, France, and Canada. Yet to fund the trips, he still had to pay out of pocket more than €1,000.

The future does not inspire hope, he says. With further austerity measures being insisted upon by International Monetary Fund and European bodies that will likely be passed down to Greek institutions and the possibility of governmental defaults, he, like many Greek academics, is not optimistic. "I'm afraid things will get worse," he says.

Markou says that he has reluctantly reached a decision that, in spite of his commitment to Greek society and Greek higher education, it would be best to secure work abroad. "People here say you should stay and try to help from inside—but the same people ask you how to find ways to get their money out of Greece," says Markou, who has been looking in France and Canada for permanent positions since October. "It's tragic and a paradox. Sometimes I feel if you want to help yourself and reach the maximum of what you can produce and help the country, maybe the best thing to do is to go outside your country right now. Helping Greece is not just protesting; it's working. If I can't work effectively as an academic, I can't help Greece."

Some Academic Departments Better Off

It must be said that while Greek academic salary and university cuts were national in scope, some academics and programs are faring better than others. "They are hiring one person for every 10 retired here, and other departments, such as math and physics, are going down in numbers as people retire, but we are gifted in that over the past few years, computer science was exploding and the state put a lot of emphasis into it," says Ioannis Emiris, a professor of computer science at the University of Athens, the second largest university in Greece. Emiris notes his department also benefits from being

a particularly strong one, ranked since 2010 in the top 100 among computer science departments by the Academic Ranking of World Universities, and boasting three European Research Council Starting Grant recipients of "perhaps 15 in the country."

Uniquely Greek

Adding to the difficulties of Greek higher education are structural differences that have traditionally set it apart from the rest of Europe and, many say, have helped hold it back.

Unlike most European countries, no private universities are officially sanctioned by the government in Greece. In addition, undergraduate education is free of charge. Those two factors lead to extreme exposure to governmental funding. And until recent reforms, students have had a strong role in making or vetoing academic and administrative changes on campus, and police could not enter university campuses, a reaction to the dictatorship that ran the government from 1967 through 1974.

In sum, Greek public universities lack autonomy from the government, face a noncompetitive environment, and lack independent evaluation of staff, says Alexis Phylactopoulos, president of College Year in Athens, a study abroad program.

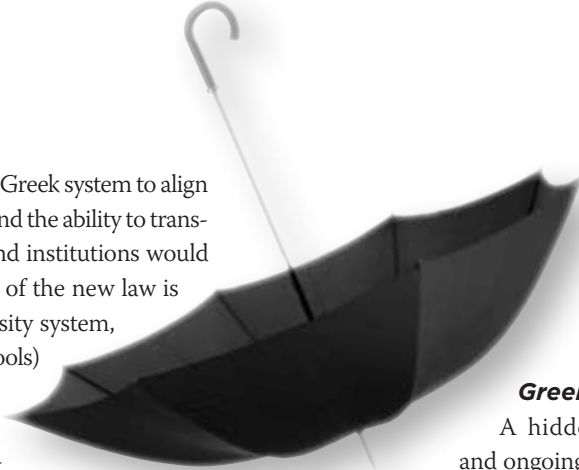
Many view as good news that despite the fiscal pain, or perhaps in part because of it, the Greek legislature in August 2011 overwhelmingly passed historic legislation making fundamental changes in the higher education system.

The law, yet to be widely implemented, would radically change university governance by attempting to remove political influence and aligning Greek education with European norms. Each university would be responsible for its own budget and would appoint a governing council with 15 members, including six from outside the university and no more than one student representative, who would help choose the university's rector.

The law would institute tighter controls on the funding of individual institutions. Good performance would be rewarded with incentives for universities achieving good results in factors such as the ratio of graduates to applicants, research excellence, and international recognition. The law would also introduce assessment of teaching staff every five years, with a professor from abroad included in the assessment committee.

Many schools, departments, and universities could be merged or completely abolished, a dramatic reversal from the past expansionist platform of certain political parties. And the legislation eliminates the sanctuary status of the universities, allowing police to intervene to evict students who are occupying institutions. The law also hopes to involve private companies in connecting universities to the marketplace and in drawing and managing new funding for education.





The legislation would reform the Greek system to align it with European design standards, and the ability to transfer credits between departments and institutions would be enhanced. A major component of the new law is the structural reform of the university system, with the creation of larger units (schools) that will replace the existing units (departments). Each school will be formed by merging existing departments and will offer different programs of study. It is hoped that reform will result in more efficient use of resources and more flexible programs of study.

Resistance to implementation of the reforms is strong. The rectors of many of Greece's 24 public universities oppose the law, have refused to implement it, and are appealing the decision to the Constitutional Court. Student protests occurred throughout Greece in late 2011, including occupation of more than 350 higher education institutions for more than three weeks and widespread delays of examinations. Many professors also oppose the legislation, claiming the legislation is a foreign prototype that does not account for the particular history and

demands of the Greek system, that it would replace the universities' missions of pursuing underlying scientific knowledge with educational programs, and it would undermine support for social science, humanities, and other "noncommercial" scientific fields.

The legislation did not address the status of private institutions in Greece. Some say private competition would improve the performance of the educational sector and could help address the lack of financial resources.

"I think private education is an absolute must in Greece," says Nikolaos Zahariadis, professor of government and director of international studies at the University of Alabama at Birmingham. "First, competition is always good. Also, it means that students would have alternative options that are not political because everything the state owns ends up being political. Frankly, I also think competition from private institutions would necessarily provide the impetus for more mergers that are needed. What is happening is that a fair number of Greek students go abroad. They don't want to go to Greek universities or didn't get in. I personally didn't even take the exams [to go to a Greek university]. That's a lot of money being moved abroad that theoretically could stay in Greece."

Greek Students Protest

A hidden cost of the crisis and ongoing turmoil has been the disruption to studies it has caused. In Greece, in particular, that has often come in the form of student occupations of university campuses.

It may surprise some that advanced scientific research takes place in Crete, a Greek island in the middle of the Mediterranean Sea with a population of 600,000 that is better known for Theseus's mythical pursuit of the half-man, half-bull minotaur through the twists and turns of the maze-like labyrinth.

After obtaining his PhD in physics from Princeton in 1991, and spending several years in academic and research positions in the United States and Canada, in 2000 Dionisios Hristopoulos and his U.S.-born wife pondered many possible futures and decided to head to the Technical University of Crete, where he is now a professor heading the Geostatistics Research Unit at the university's Department of Mineral Resources Engineering. "I like Greece," says Hristopoulos. "My family is here. At that point, since the university was a new and dynamic place, I thought it would give me more space to grow. And it did—here I could take my research in the directions I chose. I also liked being without much pressure. It makes a big difference to start the work day by looking at the ocean."

Now the environment is less serene. "This academic year we were under occupation [by student protesters] for two months. I'm fortunate that I don't need a big lab and don't need to do experiments, so I met with my students and associates in coffee shops. Some colleagues need heavy equipment in labs for their work. They basically couldn't do anything for a couple months. During this period, some graduate students were able to convince other students at the gate to let them into the university and thus managed to keep their research going."

But even when it is possible to enter the university, time is lost to worries regarding the future. "Due to the climate of uncertainty, a lot of colleagues and I spend time trying to guess what the future is or how we should adapt. Hours toward research now are going to thinking about the future. At this point I would say the biggest fear is the uncertainty. If we reach equilibrium, even if it is a low equilibrium, we know where we are and can make plans to go ahead. The problem right now is we don't know where the bottom of the barrel will be."

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Dancing Between the Rain Drops on the Emerald Isle

IT WAS A SOMBER AFFAIR. In November, students organized by the Union of Students in Ireland conducted a funeral procession in the Irish capital of Dublin. A bagpiper was followed by a hearse, four pallbearers carrying a casket, and then a crowd of students marching from the Irish Department of Education to Leinster House, the seat of the Irish Parliament.

The deceased? “Higher Education,” represented by a casket and a banner held by students reading “RIP The Death of Education 1922–2011.” The event protested anticipated education cuts in the Irish budget and the prospect of increased student fees at public universities in Ireland.

Gary Redmond, president of the Union of Students in Ireland, gave the eulogy to reporters and others assembled: “If we don’t invest in education we are literally saying goodbye to our young people, our talented and our bright young people. People across the country have three choices at the moment. And not only young people, it’s people who have lost their jobs in the unfortunate economic climate that we are in. They either go on to higher education, they upskill, they reskill, and they build a smart knowledge-based economy that we all want to build, we all want to see as a country. [Or, second] they join the 14.4 percent of the people on the Live Register [a registry of those seeking government jobseeker benefits, credits, and allowances], or they join the 110 Irish people who are being forced to emigrate every single day.”

Most would agree that reports of Irish higher education’s death are, as Mark Twain termed word of his own, greatly exaggerated. But the march and the eulogy managed to stoke concerns regarding many of the hot button issues in Irish society: unemployment, Irish pride in its higher education system and fears for the same, historic emigration in troubled times, and present economic stagnation.

The Celtic Tiger Lost It’s Roar

Higher education has been a large part of Ireland’s growth during its Celtic Tiger years, roughly 1995–2007, which included rapid

state-driven economic development that propelled Ireland from one of the continent’s least developed countries to one of its most developed. That expansion included a dynamic increase in the size, scope, and quality of higher education institutions driven in part through lavish state investments in them. The result was the rapid rise of some institutions to the top ranks of academia—Ireland’s research rankings moved from below Bangladesh to among the top 20 in the world in 15 years—and a vastly outsized number of higher education institutions for a country of a mere 4.7 million souls. Education has also been seen as a key to retaining Irish people in the country and stopping a traditional exodus of Irish from the Emerald Isle. With many Irish out of work since the start of a recession driven by a real estate and banking bubble commenced in 2008, that impetus has only increased.

Significant cuts have already been made to higher education. The higher education budget declined 24 percent from 2008 through 2012, with a further cumulative 5 percent of cuts anticipated through 2015. Under a national Employment Control Framework operational since 2009, employment in the educational sector was reduced 7 percent through 2010. Further staffing cuts are anticipated through 2014. Wages have also declined, including a 10 percent cut in wages for public employees in 2010.

Addressing the funding shortfall by reducing enrollment, however, is not on the table. In fact, the country aims to increase the percentage of the populace with undergraduate degrees from more than 65 percent currently to 72 percent by 2020, Minister of Education and Skills Ruairi Quinn notes. In addition, Ireland plans to foster increased participation in higher education through funding



requalification schemes for the unemployed, which is also hoped to give them new, relevant skills.

Thus, the country's higher education system must do more with less, in both relative and absolute terms. "Ireland's entire budget for higher education is, at about €2 billion, comparable to that of MIT alone," says Cecile Hoareau, a fellow at the Maastricht School of Governance, a project leader for an NGO called Empower European Universities, and a research associate in the Center for Studies in Higher Education at the University of California, Berkeley.

Not surprisingly, a push for efficiency is a byword of the educational realm.



The Irish Higher Education Authority is trying to squeeze savings out wherever possible. To reduce unnecessary duplication of programs, such as a total of 43 teacher training programs in 21 different institutions, it has called for consolidation in many programs.

Many wonder what will be lost through larger, if possibly more efficient universities. "There is definite growth in the number of Irish students and there will be pressure to serve more," says Lawrence Taylor, vice president for international affairs at the National University of Ireland, Maynooth (NUI Maynooth). "There is room for rationalization of specialties. You could also rationalize by having fewer and larger universities. As an academic, however, I'm not sure I agree. We are 9,000 students [at Maynooth]. When I look at the mega-universities in Europe and the United States, I'm not sure they serve their students very well. While they bring together a critical mass of researchers, whether that model works best in teaching is a question."

Already Efficient, Ireland Has Little Fat to Cut

Unlike some other European higher education systems seeking cuts, that of Ireland is already efficient. A 2009 European Union report found Ireland's university sector was the fifth most efficient in the world, after those of Britain, Japan, the Netherlands, and Finland.

Thus, there is only so much fat to be cut or so far a euro can be stretched. By some measures impacts may be exacting a toll on the country's vaunted higher education system. Irish institution rankings, as measured by the *Times Higher Education's* World University Rankings, have fallen, with six of seven universities and the Dublin Institute of Technology dropping dramatically in results released in October. Two, Trinity College and University College Dublin, fell out of the coveted list of top 100 institutions, while others slipped out of the top 300 and 400 ranking cutoffs. Only Taylor's Maynooth rose in the rankings.

Many Irish educators are vocal in their criticisms of the rankings' methodologies, contending that they better reflect the availability of financial and other resources, and directly reflected budget cuts or subjective views of reputation, rather than the core quality of educational programs and educational results.

"While the university rankings slipped, all based on reputation, the hard metrics have stayed the same or improved, but they don't focus on that," says Dublin City University's MacCraith. "The proof of the pudding is the quality of graduates. The message from major multinational employers is that they are very good."

Ellen Hazelkorn, vice president, research and enterprise, at the Dublin Institute of Technology and executive director of its Higher Education Policy Research Unit, says that the government funding cuts have pushed cost forward as a consideration for the nation's seven universities and 14 institutes of technology: "Our institution is becoming more focused, and we are looking closely at the programs being offered and avoiding duplication of resources. The range of options has been reduced, in terms of subject choice within a degree. They may offer a course you need for your degree only once every year. Many course offerings grew up because someone said, 'isn't that a good idea.' Now we have to ask, 'can we afford to run it?' Cost has never been an issue until now with respect to the running of many courses of instruction. That's true across Europe. In the U.S., institutions would never of operated that way—they were always tied to costs. In the U.S., there is a bigger focus on the bottom line, with all the plusses and minuses."

Many academics worry. "I have colleagues in Ireland who are very worried," says John McCourt, an associate professor of English in Rome, schooled at University College Dublin. "There has been a 10 percent salary cut, which

“What’s also worrying us in Ireland—and in Italy—is that many new university jobs won’t be permanent. Instead of hiring a junior lecturer for life, they hire a temporary one for two years with no rights.”

is not bad if you are a full professor, but bad if you are just in the door. And there is the sense that things will continue and get worse.”

“What’s also worrying us in Ireland—and in Italy—is that many new university jobs won’t be permanent. Instead of hiring a junior lecturer for life, they hire a temporary one for two years with no rights. More and more they are aligning us with the U.S. system. It’s a question of money. They’ve had to reduce permanent academics. Right now 80 percent of academics in Ireland are permanent.”

Maynooth’s Taylor says that while Irish cuts to date have been painful, the relative accord through which public sector employees and the government agreed to them have avoided what could have been much greater acrimony. “One of the things that distinguishes us from Portugal, Spain, and others is the better behavior of the public service unions and the government through the [2010] Croke Parke Agreement. All the public services agreed to involve themselves in serious cost cutting measures rather than have massive redundancies [layoffs] and cuts imposed upon them. As for the universities, we have tried to cut any unnecessary costs. We have suffered budget reductions and we are about to get another one. Like many, they are problematic. But they are relatively low cuts compared to what might have been the situation because of that agreement, given the general economic situation.”

Making Adjustments

Many higher education institutions reduced damage by quickly adjusting to the likelihood of a future of reduced funding. “Three years ago we could see we were heading into recession and we started to adapt,” says Ciarán Ó Catháin, president of Athlone Institute of Technology. “There were some nice things we would have liked to have done that we said we can’t do now, but we made sure front-line services to students were not impacted. Because of our hard decisions on controlling spending, we’re running a small surplus into 2012, though next year will be a tight year.”

Some Irish professors and administrators say they have had to cut back and shoulder more burdens.

“It’s clear there is not a lot of spending money around to fund new projects,” says Tim Hicks, an assistant professor of political economy at Trinity College, University of Dublin. “It’s tangibly more difficult to invite guest speakers from farther away, like the U.S., so we are less likely to do that. I think that, so far at least, we are all pulling together, but I don’t know what is to come. The current state is far from ideal, but I think we are probably managing to give the students a pretty good experience.”

“In Trinity, a lot of services have been cut,” says Samuel Mealy, a Trinity College student of Hicks who is finishing a double bachelor’s degree in history and political science. “Library open hours have been cut dramatically, even though Trinity is supposedly the best university in Ireland. Last semester, the library was not open at all on Sunday, though this semester it is. Also, some classes that are supposed to have one lecture and one tutorial now just have one joint tutorial. And academic lecturers have had to shoulder administrative burdens.”

While funding is tight and the higher education system is stressed, some university and institute leaders say they are continuing to launch efforts to improve education at their institutions. Dublin City University’s MacCraith says that his institution in September 2011 launched an effort, Generation 21, to better align skills students are learning with life and workplace demands.

Through dialogue with employers, “Generation 21 identified six key attributes around the issues of creativity, problemsolving, lifelong learning, and innovation,” MacCraith says. “Employers, for example, indicated that bright students who can’t work in teams are of no value to them. To instill these skills, we have rewritten all our educational modules and learning outcomes, more than 2,500 total, to ensure all students coming through the university can expect to develop all six attributes. And all students have an e-portfolio where their personal development is recorded and indicates what they have done with respect to the six attributes.”

But in an era of austerity, that effort was underwritten at a huge cost of administrative toil. “It was a huge commitment of our academic faculty involving a year to 18 months of effort on top of their day jobs, but the outside world is changing at rapid pace and the university needs to be agile and adapt to that,” MacCraith says.

The educational sector as a whole is also attempting to adjust to the changing reality and evolving future demands in higher education by implementing recommendations of the Hunt Report, a seminal report on higher education reform in Ireland released in January 2011. A key finding of that report now being implemented is the creation of technological institutions that focus on science, technology, engineering, and mathematics and directly feed into the needs of the Irish industry.

Further difficult choices await. Foremost among them is the question of whether Irish undergraduate students should pay more toward the cost of their educations. While students do not pay tuition for their undergraduate educations, they do pay a student services charge for registration and exams that has nearly tripled from €825 in 2007–08 to €2,250 in 2012–13, with the Ministry of Education predicting further hikes of €250 annually through 2015.

Many students, looking apprehensively at very significant tuition hikes in neighboring Britain, are exerting enormous pressure to pre-





vent fees from increasing. Many students also fear the loss of government grants that many receive to cover living expenses, says Eileen Murphy, a master's student in anthropology studying at Maynooth.

Many educators contend a greater student contribution will be necessary to stabilize the educational system's financing. "Students are major stakeholders in the system, with a lifetime of income tied to degree programs, and we feel there should be a joint contribution to this," Dublin City University's MacCraith says. "The government didn't bite the bullet in the last budget. We feel it should not be beyond anyone to come up with an equitable system that spreads the load among stakeholders that are affected by these issues."

Universities and institutes are trying to avert further cuts or tuition jumps by thinking outside the box to fund their operations. Many are trying to expand upon the country's existing success in attracting students from outside the European Union.

Universities and institutes are trying to avert further cuts or tuition jumps by thinking outside the box to fund their operations. Many are trying to expand upon the country's existing success in attracting students from outside the European Union. The country is targeting international students, with a goal of increasing the number of international students at its universities by 50 percent over the next five years, which, in addition to helping to globalize the educational system of an island at the edge of Europe, could bring in nearly another €1.2 billion (\$1.6 billion) a year into the educational system, given non-EU students can be charged far higher tuition. At Athlone Institute of Technology, international students now provide 12 percent of its revenue, or €3 million, whereas 10 years ago it was zero, says Ó Catháin.

There also are some efforts to expand graduate education, which allows for higher tuition, such as €8,000 to €10,000 for EU students and more for international students, says Hicks. A one-year master's of international politics at Trinity College Dublin, for example, costs €10,400 for EU students, compared to €15,700 for non-EU students.

Taking Creative Measures to Secure Funding

Institutions also are attempting to diversify and add new sources of funding, including collaborations with industry. Dublin Business School (DBS), a private institution

that is a subsidiary of Kaplan Inc., for example, runs degree programs that are sponsored by business, such as the Lidl discount supermarket chain. DBS also has close relations with many IT employers, including Microsoft.

"Like any business and any service provider, the market is changing and students are more focused on value added," says Gerry Muldowney, chief executive officer of DBS. "Some areas of business have contracted, such as employee sponsorships to study on a part-time basis—no one is immune from the effects of the recession. Having said that, we've launched into new areas and have reinvented ourselves in the IT sector." Muldowney notes that the institution, in cooperation with Microsoft, in the 2012–13 academic year launched a cloud-computing bachelor's degree program paired with a postgraduate MBA program in cloud computing.

But there are limits to the potential of such efforts. A European University Association study found that, although alternative income sources already represent more than 10 percent of the budget of a majority of universities in Europe, on average almost 75 percent of their total funding comes from public sources.

"You can't immediately or easily replace cuts of 10 percent or higher through other sources, like increasing partnerships with business or fundraising activities," says Thomas Estermann, head of the Unit Governance, Autonomy, and Funding at the European University Association. "They need investment before they are realized, they are not quick to achieve, and not all universities would be able to attract them in the size of the cuts. With these large cuts, in many countries discussions about the increase or introduction of tuition fees take place as they have the potential to constitute a large income source. Furthermore, many governments agreed to get more people into higher education. Either you abandon that goal or ensure that someone pays for this."

One of the worrying trends observed, however, has been an overall negative impact on universities' autonomy, Estermann says. It is clear that autonomy and capacity to manage their resources freely have been one of the key conditions for those universities that have responded to the crisis more effectively.

"We found that there is a strong relation between the capacity to attract additional funding and the degree of autonomy at educational institutions, particularly with respect to staffing and financial autonomy," Estermann says. "One of the problems many European countries still face is their lack of freedom to respond adequately: many have to deal with high budget cuts but they can't reduce costs due to a lack of staffing, financial, and in some cases also academic autonomy."

Generational Differences in Opinion

Many older Irish members of academia remember well Ireland's not-so-good-old days—which some say is an advantage. “There is a lot of black humor around this crisis about who’s going to shut the lights off and lock the doors,” says Catharine Curran-Kelly, an associate professor of marketing at University of Massachusetts, Dartmouth’s Charlton College of Business, who spent six months in 2011 in Ireland as a Fulbright scholar at University College Dublin in the business faculty and who herself holds Irish citizenship. “They feel the Irish have always struggled and they will get through this, too. They are wonderful at this. They have a fatalism that ‘this is the way it is’ and they will endure it until it goes away. They seem to have accepted the pay cuts. American faculty would have screamed. [The Irish faculty] also have an infectious optimism.”

But Irish youth may be less forgiving. Many university students

will leave the country, education reform or no, says Mealy’s classmate, Kara Connolly, a fourth-year Trinity student getting joint degrees in business and political science. “I’m going to Melbourne in Australia,” says Connolly. “Most Irish students go away for a few years after graduation; it’s part of Irish culture to do travels and there’s not much going on here now. Many of my friends are moving to London. Almost everyone I know is trying to get out. I don’t think they will come back. You’d be paying so much money in taxes. Generally, students in our generation are [unhappy] that they have to work really hard to make any decent standard of living and are paying for the errors of previous generations.”

“Our generation feels no pull of the motherland anymore,” says Mealy, who spent his third year as an undergraduate studying abroad at the University of California, Berkeley. “I feel as much Californian as Irish.”

Italy: A Giant Struggles to Reform

ITALY’S FINANCIAL PROBLEMS are among the Eurozone’s greatest fears. With 61 million citizens, serious economic trouble could present an insoluble challenge to the Eurozone. Italy is, however, at least in the fortunate position of having a strong underlying economy. It is a far more recent casualty of the financial crisis than many other European economies, having only suffered excessive debt concerns beginning in mid-2011. “Italy has no bubbles, private debt is under control, and the Italian economy is still pretty sound,” says James Walston, associate professor of international relations at American University of Rome. “That makes Italy in a better position, once they have settled their political issues, to weather the crisis.”

Yet given it is one of the most affluent and largest countries in Western Europe, some see its higher education sector as an underperformer, hobbled by an insular, inefficient, and bureaucratic—some

might say Byzantine—system. Despite being ten times as populated as Ireland, it had no universities in the *Times Higher Education* survey’s top 200 institutions in 2011–12, compared to Ireland’s two.

Roughly 80 percent of its universities are public and many of those are behemoths. The public University of Rome had almost 200,000 students until it was split and two other public universities—University of Rome Tor Vergata and Roma Tre University—were founded in 1982 and 1992, respectively. Even so, it still has an enrollment of more than 100,000, Walston says.

By contrast, private and religious higher education institutions benefit from lower enrollment numbers and correspondingly lower overhead through less staff and administration, says Walston: “They tend to be more efficiently managed and tend to have a quality of teaching that is higher and a more selective admission of students.”



University of Rome

Governmental Measures to Curtail Higher Education Spending

The lack of an Italian debt crisis until recently hasn't stopped Italian governments from imposing strong measures to limit higher education spending. In the past four years, Italy has suffered a 30 percent cut in public university funding, with further cuts expected. "There is little room to maneuver," says John McCourt, an English and Irish literature professor at the public Roma Tre University and earlier at the University of Trieste.



Fabio Luppi, PhD, has been working for an airline for the past 10 years to make ends meet while trying to secure a full-time university position. He also teaches at Roma Tre University on a temporary contract basis.

A law championed by former Prime Minister Silvio Berlusconi mandates that universities cannot spend more than 90 percent of their budget on staff, McCourt says. "If you go over 90, you can't hire anyone practically, and every university is up around 90 percent," says McCourt. While the new Mario Monti government has promised to put more money into education, a new national policy also calls for 20 retirements before a single full faculty professor can be replaced, according to Guido Martinotti, professor emeritus of urban sociology at the Italian Institute of Human Science (SUM) in Florence and earlier a professor at University of Milano-Bicocca.

Employment Options Grim for Younger Generation

The employment squeeze in particular has hit younger academics, where a vast pool of PhD graduates cannot obtain permanent paid employment.

"There is a terrible sense of paralysis and stagnation and frustration," says McCourt. "University careers in Italy begin late—often your first job is at 35 or 40. That's because there are so few jobs. Before that, they tend to be given contracts or hang around with their PhDs.

There is army of volunteers, of PhD people, being taken advantage of and being made to teach courses without pay. They do so in the hopes that if they make themselves indispensable, then maybe someone will notice you and you will get a job. I know of a situation in an Italian university second year literature course where 17 people applied for an unpaid position, and they were fighting with each other for who would get it."

If you happen to be checking in at Italian airline Alitalia in Rome and want a check-in agent who can expound on the finer points of the literature of William Butler Yeats and James Joyce, you are in luck. Fabio Luppi, one of McCourt's former PhD students at Roma Tre University, has worked at the airline for the past 10 years to make ends meet while trying to secure a full-time, paying position at a university, a job he assumed would be a stopgap when he first took it. Luppi also works temporary contract jobs at Roma Tre University teaching English to groups of up to 90 students.

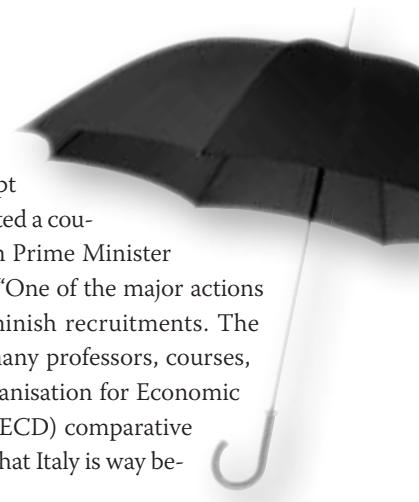
While securing a permanent position at an Italian institution in the humanities has never been easy, Luppi, who also tries to squeeze in publishing academic articles to burnish his academic resume, says that in his case the timing of his graduation in 2008 has made a difference—in a decidedly negative direction. "At the moment, in this very difficult financial crisis, universities are very careful when giving out new positions," says Luppi, who is now 35 years old. "Most of my friends with PhDs have problems finding positions—only one person of 25 people I know in similar positions got a permanent job, and he got his PhD in 2003, six years before I got mine and before the crisis. That was an important six-year advantage."

As for his temporary teaching position at Roma Tre University, Luppi says it is no ideal position. "How can you teach English with 90 students in the class?" muses Luppi, who earns €4,000 a year for his efforts. "Since it's not in the languages department, they are not interested in such a good level of language—the goal is to help the students pass the exam. They should split it into two or three classes to have smaller number of students, but they do it cheaper by having one large class."

Funding Rules Cause Consternation

The funding crisis has been exacerbated by the funding particularities of Italian higher education statutes, says Guido Martinotti, professor emeritus of urban sociology at the Italian Institute of Human Science (SUM) in Florence and earlier a professor at University of Milano-Bicocca.

He notes that universities cannot have more than 20 percent of their income taken from students, while the outlay for professors is at a national pay level fixed by the government, not the university. The practical effect is



that older universities with more full professors have a severe funding crisis. “All the universities with old professors have a big hole in the barrel and the younger universities with fewer professors have smaller holes in the barrel,” Martinotti says.

Martinotti says that one university that fell into the former category had to push many professors into retirement and close many courses because it lacked resources. As a result, he says there is a push to let the universities negotiate their own fees and raise student tuition, which currently, on average, covers only 10 percent of cost. However, he says this raises issues of inequality among national regions, with institutions in wealthier regions likely to be able to impose increased fees without too many complaints, while there would be major protests in poorer regions. “No one wants 1 million students fighting them in the public squares, so that reform hasn’t happened,” Martinotti says.

Doctoral programs also tend to be among the most severely affected by the funding crisis, as these students are paid by the state. Martinotti says at SUM in 2010, only four of his six PhD students were paid, and various cuts have whittled down the program’s resources to the point last year where the PhD program had to skip one full course due to lack of resources and no new students were admitted to the program.

Management of Italian Universities’ Role

Poor management of universities is another problem, says Walston. “There are many problems inherent in Italian labor laws and a university some years ago was on verge of bankruptcy. A friend of mine found himself deputy director in charge and he found that, like many Italian universities, the university had not followed normal rules. It, and they, ran up huge debts. Finally, the last government required that they balance their books but they had enormous debts. It is unclear how that will be resolved. If you can’t pay your wages, you need to behave like any business, but they are not a business.

“You also still have extraordinary monopoly over the courses offered at the university level. Many degree courses are there because some local professor persuaded the local senate or university that it was in the national interest to have a course on Byzantine literature in the thirteenth to fourteenth century—and that’s only a slight exaggeration.”

This is an area where Ireland has an edge, says McCourt. “One big difference between Italy and Ireland is the age of who’s running the show. In Ireland, they are in their late 40s and have worked abroad and were renowned in their fields academically before taking over. So they bring more innovation and connection with the world. In Italy, the system is run by people who in other countries would be retired. We would like to see a generation change.”

Efforts for Reform

Efforts to reform the system are underway and all eyes are on new Prime Minister Mario Monti, himself formerly rector and president of the private Bocconi University in Milan and popularly dubbed *Il Professore* (“the professor”).

“We are in the midst of an attempt to shrink public universities that started a couple of years ago with [former Italian Prime Minister Silvio Berlusconi],” says Martinotti. “One of the major actions was to block the turnover and diminish recruitments. The pretense was that there were too many professors, courses, curricula, and universities. But Organisation for Economic Co-operation and Development (OECD) comparative statistics show exactly the contrary, that Italy is way below average in all these measures.”

The lack of an Italian debt crisis until recently hasn’t stopped Italian governments from imposing strong measures to limit higher education spending. In the past four years, Italy has suffered a 30 percent cut in public university funding, with further cuts expected.

A new reform introduced by the Monti government includes a measure that would establish an independent benchmark for valuing degrees and student performance, says Martinotti. The traditional practice for hiring in public employment, a huge sector in Italy, has been to require employers to recognize the value of degrees from any university as being the same, despite large differences in quality. Under consideration is a test that would attempt to place jobseekers on an even basis, rather than relying upon undergraduate marks, says Martinotti.

However, past political instability has hindered the implementation of such reforms. “Each new minister of education has introduced new reforms and none were completely carried out,” Walston says. “Higher education is in a state of confusion. What is necessary is to bring stability, rationalization of the courses that are offered, and personnel to deal with the courses.”

McCourt says funding higher education improvements by charging undergraduates more than the current €1,000 per year does not appear to be an option. “They don’t have the money,” he says. “It’s a big problem. Italian youth have an unemployment rate of 30 percent. The only thing that’s fair in the system is if the family is poor they pay little.”

The Italian Ministry of Education is looking at adopting aspects of the U.S. model by trying to set up a series of university foundations to raise private funds and introduce private investments. “But the U.S. model works because those who give money to the university get tax breaks and there is no such system here,” McCourt says.

Research Funding at Risk

At many Italian universities, the research function has been on the chopping block, forcing academics to find their own time and resources for such functions. “At a lot of universities, funding for research has been eliminated, especially in the humanities. You fund

it yourself,” says McCourt. “At my university, we have small amounts of funds awarded based upon how much you get published per year. So the research products are evaluated for quantity [not quality]. You might get €1,000 a year if you are prolific at my institution. And that funding is destined to go.”

That has led to a long-term flood of some of the top academics in more marketable areas out of the country, a trend that has only been exacerbated by the current climate, McCourt says. “There has been a huge drain of scientists, doctors, engineers, and humanities professors to the United States. There were vague attempts to bring them back five years ago—“Return of the Brains” is what they called the effort—that brought back 100 people or so.”

Corruption also stalks the system, McCourt says.

“The system for hiring people is controversial and political—it’s rare that there’s a fair competition for positions. There is nepotism and corruption. It is widespread, especially at a moment like this when fewer jobs are available. It’s who knows whom and if a position is created, it’s created with a person in mind. They are very often deserving people, but it’s not a fair competition. There are efforts to move toward a centralized system of recruiting.”

Some Institutions Aim to Make Changes

For-profit and religious institutions are starting to change the landscape, says Walston, whose American University of Rome is a private, freestanding American liberal arts university.

“[American University of Rome] should be in a stronger position as a foreign institution in Italy,” Walston says. “A large portion of our students are from the United States, and the €13,000 tuition we charge is already less than many U.S. institutions. If the euro goes down with respect to the dollar, Americans will pay less, so more are likely to come. Also, the UK’s enormous increase in tuition fees means that, whereas before we were not competitive for those students, our €13,000 tuition is comparable to the [new UK rate of] £9,000.”

Walston says that the American University of Rome has a very international body, “We have two-thirds of our students coming from study abroad programs, with the remaining one-third of students being resident, degree-seeking students. Of the degree-seeking students, a quarter of those are American, a quarter Italian, and the rest from everywhere else—such as the [Persian] Gulf, the former Yugoslavia, and children of diplomats.”

That has led to a response by the large public universities, Walston says. “The public universities have been looking much more aggressively for students and many of the master’s programs are starting to be seriously marketed abroad. I am working with colleagues with University of Rome 3 (Roma Tre University) on an international development master’s program to be taught in English. Some bachelor’s programs are also being targeted at international students, which is helped by the fact that they can offer lower costs than American universities, often targeted at those with scholarships, particularly at children of employees from the embassies or international associations.”

Walston says that financial challenges have forced universities to think outside of the box. “When we work with University of Rome 3, our collaborative efforts allow them to do things for free and allow us to do things by exchanging resources rather than by paying. For our students, they get to attend classes at Rome 3 without paying.”

While facing challenges, the Italian higher education system is faring better than the Greek system in part because of stronger primary and secondary schooling, says Stanford Professor Eric Hanushek, who has studied educational achievement and impact on gross domestic product in OECD countries. “Higher education pays but it has an even bigger impact if students are well prepared going into it,” Hanushek says. “If one is getting little out of primary and secondary schools, as is the case in Greece, when you compare it to those doing better, like schools in Italy, then a year of higher education has a higher impact in Italy than in Greece. While we measured mainly science and math, at an overall level, everything is correlated. You don’t see countries [that are] good at math that are not literate.”

Martinotti looks past the immediate crisis when asked if he is optimistic or pessimistic about the future of Italian higher education.

“That’s difficult to answer,” he says. “Higher education is in crisis in the U.S., too. Overall, higher education is an old system that doesn’t perform well in our knowledge-based system. Fifty years back, universities had a monopoly of knowledge. Now real knowledge is produced in many places. In Italy, I’ve seen universities become much better during my career. They were very bad in the beginning. There is now a larger number of students who receive degrees. We still are at the bottom of countries by the number of degreeholders in the OECD. But the students are better, more professional, and they know the worth of studies. Altogether, there are lots of good professors and good researchers. If you go by research, and if you look at productivity by researcher, the performance of Italian higher education institutions is high, but our rankings are not high in the aggregate because there is little money and low support. Overall, I’m moderately optimistic.”



Portugal's Bumps on the Road to Catching Up

PORTUGAL'S ECONOMY AND HIGHER EDUCATION SYSTEM have long struggled to recover from a 50-year civilian dictatorship that ended in 1974. During that period, the country's education system was generally underfunded and undervalued.

Over the last 25 years, successive governments conducted a steady campaign to build up the higher education sector, based upon a consensus that educational weaknesses were holding back development of the country. Still, the educational system has also been wracked by instability, with 27 education ministers serving since 1974. Efforts to grow the system were also in some cases inefficient, says Pedro Nuno Teixeira, director of CIPES, the Portuguese Center for Research in Higher Education Policies. "Fast expansion created a large number of private and public institutions. There are about 180 higher education institutions for a country of 10 million people—that is too many."

Portugal began to suffer in the current crisis after running huge debts with the rest of the world. In late 2011, the Portuguese government announced that higher education and social education support funding would be reduced by nearly 20 percent in 2012.

Most Recent Cuts

The latest cuts are particularly painful given previous rounds of cuts imposed in relation to international funding tied to austerity commitments.

"Portugal has been on austerity measures for 10 years," says Teixeira. "We were the first European country to breach a stability pact in 2001 and pay scales in the public sector were frozen for most of the last decade. When in 2008 and 2009 several countries like Spain and Ireland had cuts, our political margin to cut more was more difficult since salaries had been frozen, and in 2009 we had an election year and there was an actual increase in salaries. Then the situation deteriorated further and led to a bailout in 2011."

As part of the latest cuts, salaries have been reduced. Teixeira says that full and associate professors over the 2011 and 2012 period will suffer cumulative wage cuts of 25 to 26 percent.

Despite general funding limitations, the government managed to increase science and research for the previous 10 to 15 years as a top national priority. Only in 2011 has it been cut for the first time. Thus, Teixeira says there is a margin for some austerity, though he says more than a year or two will endanger the progress that has been made.

The Impact of Fewer Resources

The cuts will impact the research side of universities more than the instruction side, agrees Alberto Amaral, former rector of the University of Porto and current president



Pedro Nuno Teixeira, director of CIPES, the Portuguese Center for Research in Higher Education Policies

of the board at the Portuguese Agency for Assessment and Accreditation of Higher Education. "The system was rather irrational with respect to the offering of programs, so there is still space to make it more efficient on the instruction side," Amaral says. "But that is not the case for research; there will be more impact there."

With fewer resources, the government is now focusing on quality at the higher education level, with Amaral and his agency implementing a new accreditation process over the past three years to ensure adherence to higher educational standards, particularly with respect to many private institutions that Teixeira says were set up with lax oversight. The new requirement calls upon every new higher education program to be submitted to the agency for review, as well as for recertification of existing programs. The result has been that several hundred programs have not sought recertification. "They realized it would be hard for them to be approved," Teixeira says. "Many closed down their programs. Because of this requirement, public and private institutions are being more careful."

While there is a significant private educational sector in Portugal, unlike many other European countries, some educators contend that it was built on the cheap, often for student who could not gain acceptance to the public





system, and is not competitive with the public system.

Teixeira says one relatively positive factor in the past for university graduates, given their past relative scarcity, was that university graduates had a relative broad range of options and the ability to be selective. “Now, however, that is changing,” Teixeira says. “Many graduates are finding fewer options in Portugal, so they are now heading for Portuguese-speaking Brazil, where the economy is booming, Angola, [a former Portuguese colony] where there is construction activity, or elsewhere in Western Europe.”

Like Tiago Fleming Outeiro, many Portuguese researchers and professors are also looking for opportunities abroad, says Pedro Carneiro, a Portuguese associate professor of economics at University College London who also lectures at Georgetown University.



University of Porto

“I think that the good researchers are trying to leave, especially if they are at the peak of their careers,” says Carneiro. “In the last few years, I’ve seen people going to England. It’s not just the crisis—it’s that the policy environment for funding research in Portugal is not exactly stable and there are many tax rules. In times of crisis, you feel the uncertainty more. It’s not like you are in a country with a long tradition of funding research and where funding is likely to stay at a reasonable level. In Portugal, there is not that certainty. Many researchers also don’t have permanent positions and are living off grants until they are 45.”

Students Must Chip In

Carneiro says that the crisis has brought into focus the need for students to bear some of the educational costs, given the large benefits of a university degree. He says that also needed is a robust private loan system such as that of the United States.

A positive factor at the higher education level, Teixeira says, is that the relative cost scales are lower than elsewhere in Europe and relatively greater ability to tap student tuition as a substantial source of university funding. “Public institutions in Portugal have become more private-oriented in terms of the revenue public institutions charge tuition fees,” Teixeira says. “While it’s smaller than public in the U.S., it’s significant when you compare us to the standard in Europe. For some institutions, it is an important part, from 15 to 20 percent, of their revenues, with a cap of €1,000.”

A large challenge to higher education participation and achievement are the lingering effects of poverty and inequality earlier in life on preparation for college, Carneiro says.

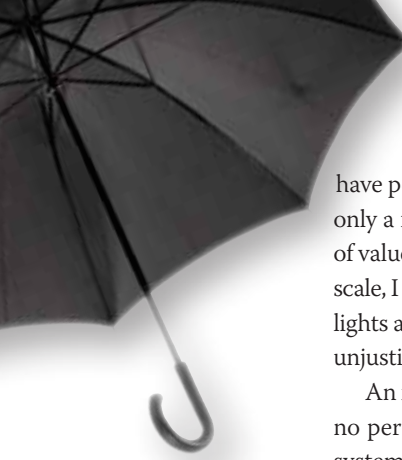
“I’m 37 and in my generation, half the population dropped out of high school,” Carneiro says. “In my parents’ generation, it was 80 percent. Also, the literacy level for dropouts as measured by the OECD is that 70 percent of Portuguese dropouts are not literate enough to be able to get by in modern society, so they are less functional than dropouts in, for example, Germany.”

The government has responded accordingly. “The current education minister is more concerned about basic and secondary education,” Teixeira says. “The problem is not higher education. Our higher education system doesn’t compare badly with other European countries. It’s at the primary and secondary levels that we have greater problems.”

Tough Choices

At the heart of the crisis of European higher education, similar to that of the United States, are difficult choices regarding allocation of a suddenly more scarce pool of resources. An ominous aspect of the government and administrative decisions made in response is that their effects tend to be lagging, long reaching, and difficult to predict. “Education is a funny thing,” says Stanford’s Hanushek. “Those in power say, ‘This is important for future’ but that’s often lip service and they make the decisions they will make. Part of the problem is that the results of making mistakes don’t show up for a while.”

But while in good part a crisis of resources, and allocation of the same, some European academics fear that the economic and educational crises reflect a larger societal crisis of values—and not just in Europe. “Take the radical student groups that take actions culminating in closing the campuses—in my view, these groups are making irrational demands and they obscure and distort reality,” says Technical University of Crete’s Hristopolos. “What matters to them is to show to the other students that they



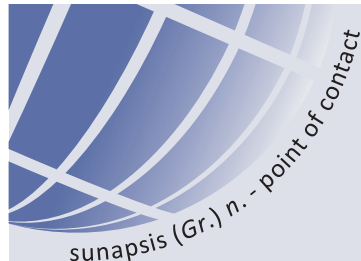
have power and control. I see the crisis in Greece as not only a financial crisis but also as a social crisis, in terms of values and in terms of expectations. On a more global scale, I believe that the experience in Greece to date highlights a lack of self-control in the Western World, where unjustified exuberance has reigned since the 1990s.”

An irony, Hristopulos says, is that many students have no perspective regarding how much their educational system has improved from prior generations, present cutbacks notwithstanding. “I graduated in 1985 from the National Technical University of Athens, and I see a lot of things have changed for the better in terms of the quality of textbooks or manuscripts we use in class, the buildings that are available, and access to computational infrastructure. In the Technical University of Crete we have a number of computer labs, which our students can use since their freshman year, while more advanced students have access to specialized software. When I was a student, we used punchcards to run computer programs; since we had insufficient money, the machine kept running out of ink; every time we made a typing or logical mistake, we would put the card up to the light to try to figure out which letter or symbol corresponded to the punched holes on the card. We have moved light years

“Hopefully, we have learned a lesson from this crisis, although I’m not so sure yet. I’m hoping that doomsday scenarios don’t come through, and that we will have a chance to rebuild the economy. But first we have to rebuild a certain value system.”

ahead of that in a short period of time, but the students don’t appreciate this progress. We have the potential, and it is up to us to use this potential more effectively. Hopefully, we have learned a lesson from this crisis, although I’m not so sure yet. I’m hoping that doomsday scenarios don’t come through, and that we will have a chance to rebuild the economy. But first we have to rebuild a certain value system. And then the rest will follow.” **IE**

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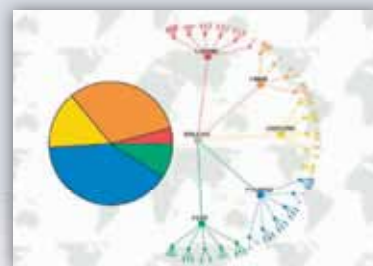
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