



# Do European universities stand a chance in global competition?

## *On global higher education scenarios*

Scenarios for the future course of higher education are more likely to occur if they are rooted into an understanding of the dynamics behind the demand for and the supply of higher education.

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# Outline presentation

- Determinants demand for HE world wide
- Growth in mobility world wide
- Supply HE characteristics
- Comparative advantages for HE supply of different regions world wide
- Conclusion: If – Then (Europe stands a chance)



# Demand

- Talent as major source of international competition
- Life long learning
- Discovery new talent as major source of social cohesion
- Demography



# Demand

Worldwide elasticity of the demand for HE		
	<b>2000/1991</b>	<b>2003/2000</b>
Elasticity	3	7
Participation/ GWP per capita		

*(Source, OECD, WDI)*

## Conclusion

2020: 75 mln HE students world wide (2006: 50 mln)



# Growth in mobility

## Foreign students/ Total students HE (millions)

	1980	1900	2003	2020
Foreign	0,7	1,0	2,0	(guestimate)
Total	24,0	33,6	47,3	
Percentage	3,0	3,0	4,2	6,0

Conclusion:

2020: 4.5 mln foreign HE students (2006: 2.2 mln)



# Foreign students: where?

## Foreign Students as a percentage of total (selected countries/regions)

	<b>1997/ 1998</b>	<b>2002/ 2003*</b>	<b>Rank 2003</b> <i>(in terms of total number of foreign students)</i>	<b>Rank 2003</b> <i>(in terms of % of foreign students)</i>
USA*	3	4	1	17
UK*	11	11	2	6
Australia*	13	19	5	1
Europe **	?	(3)	(-)	(-)

Source: \* OECD-EAG

\*\* EURODATA



# Supply of HE

- Slow to adapt to social needs
- HE is losing status
- Strategic alliances
- Special role new HE institutions
- Supply of HE will increasingly be determined by "good practice"
- Benefits of technology



# Supply of public HE (Europe in particular)

- Europe: public HE systems subject to decreasing finance and have fixed (maximum) tuition costs
- Inherent feature of equalization and loss of differentiation
- Pressure to bring higher vocational education and research universities on par in financing and development opportunities
- Europe's competitive position:  
drop tuition phobia and allow differentiation  
visa policy and working permits





# Comparative advantages:

## a) Growth in mobility: Why? How?

Students from country X go for study to country Y for a number of reasons:

- o International experience pays off on labor market;
- o Perceived quality of the education;
- o Access to HE in country Y  
(places available & language of instruction);
- o The intellectual, cultural and political climate country.



## b) Comparative advantages

	+	-
<b>US</b>	Language Climate Quality	Patriot Act
<b>Europe</b>	Climate Quality	Language
<b>China</b>	Quality emerging	Climate Language
<b>India</b>	Language	Capacity constraints in Quality Institutions
<b>Australia</b>	Language Climate Quality	
<b>Latin America</b>	Language (Spanish)	Capacity constrains
<b>Japan</b>	Quality	Language Climate
<b>Rest of the World</b>		Quality Climate Language



# If – Then

- World to win by truly creating an international market
- Guided by a common legal framework (accreditation/tuition fees)
- International market generates strong incentives for quality

**If** internationalization of HE in Europe truly gets wings,  
**Then** substantial extra contributions of HE to prosperity.

But this scenario is very iffy as national governments will not easily surrender power over HE to others, be it the EU or other supranational powers.

