1. Introduction

Education is a core institution of our society and one of the main pillars of modern civilisation. It plays a central role in social and economic development, democratic empowerment and the advancement of the general well-being of societies.

ESU believes that open access to all levels of education is the cornerstone of a socially, culturally and democratically inclusive society, and a pre-requisite for individual and societal development and well-being. ESU sees higher education as a human right, which is guaranteed in the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights.

How education is seen in society, how it is funded and how it is governed are tightly interlinked areas. Addressing higher education as a commodity and students as consumers who purchase the service goes against the fundamental social values and norms attributed to higher education. Students should therefore be treated as members of the higher education community, sharing the responsibility and rights to govern this central institution of our civilisation.

2. Higher education as public good and public responsibility

Higher education is and has always been a human institution for advancing and passing on cultural and intellectual heritage. Higher education institutions are, or should be places where...
there is interaction between a variety of scientific, cultural and intellectual fields. They are sources of scientific development, critical thought and conservation, and they contribute to the intellectually active adulthoods of millions of people. Expanding universities to include more students and professors from a wider variety of social, economic, ethnic, national, and linguistic backgrounds has added to diversity and the function of defending equality and inclusion for all.

Education is a public good, a public responsibility, and should be publicly steered and supported. Higher education is all too often presented as an expense. Higher education is a general interest of all people, as it contributes to the common good by increasing the general level of education in society. Higher education is a value that should not become subject to economic speculation and prey to the ideologies of privatisation and the shrinking of the state. ESU therefore calls for all stakeholders to commit to this as a leading principle to be taken into consideration in all their decisions.

**Education for Sustainable Development (ESD)**

Sustainable development and active citizenship is meaningful part of the public responsibility of higher education, and key in empowering students to shape a sustainable future. Higher education institutions should integrate key sustainable development issues in local and global contexts in their teaching and research in order to fulfil their obligation towards creating more sustainable societies. Education for sustainable development should cover a wide range of topics including, but not limited to, the environment, civic competences, and democratic participation. Delivering quality ESD depends on far-reaching changes in how we deliver education today, something which SCL should and could help to address. Education for sustainable development and active citizenship should be planned and executed in cooperation with student organisation.

**Commodification**

In the prevailing political discourse, education has come to be understood solely as an economic factor rather than a tool for social development. Education markets are established out of instrumentalisation and the changing perception of education purely as an economic factor and
resource for prosperity. This has led to a trend that ESU refers to as the commodification of higher education, defined as the changing perception of higher education from a public good and public responsibility to a private and limited commodity. In this context, higher education is perceived as a knowledge industry, higher education institutions as service providers and students as consumers of education and human capital for the labour market.

When education is defined as a factor for production, discussions of investment in education are based on an understanding that it is an investment in ‘human capital.’ This view fails to encompass the complexity of higher education. It is not a resource for economic growth that must be profitable. Another interpretation of education is in the context of a knowledge-based society, where education is seen as a source for value creation and greater economic growth. In the 1990s, higher education entered a context of neoliberalism, in which economic growth is considered the only possibility to maintain prosperity. In this paradigm, economic growth is supported by new technologies and the active support of businesses and industries relying on teaching, research, and innovation, thus making higher education yet another way to increase competitiveness in the frantic race to the top of nothing.

Commodification encourages an unhealthy degree of competition between students and an extra pressure to excel in grades and extracurricular achievement. This undermines possibilities for voluntary collaboration and cooperation between students. Commodification also encourages an unhealthy competition between higher education institutions, where education is sold as a product in an effort to make a profit. This has not, and should never be, the purpose of tertiary education institutions, since this can have consequences for the quality of education.

The scope of this limited perception is not wide enough to encompass the multifaceted benefits and contributions that higher education has for students and society. The European Students' Union is against the view of education as a commodity, the undemocratic and inequitable limitation of education by the market, and the instrumentalisation of research and teaching by private decision-makers to fit commercial interests.

For these reasons, ESU calls for an emancipation of education policies from economic policies.

HEI – industry partnerships
ESU encourages HEI-Industry cooperation that widens opportunities for students, such as quality internships, and provides with insights and experience. Internships are first and foremost about learning. For that reason, every internship must include proper guidance by the provider of the internship. Internships cannot be used as replacements for existing paid jobs as a mean to minimize employment costs. Independent work included into internships should be paid for by the provider of the internship place. Additionally, every internship must include social security and a legal contract according to labour standards by the provider of the internship. Nevertheless, these partnerships should always be voluntary, transparent and acting in students’ greatest interests rather than for the profit of businesses. The purpose of education is not to serve economic interests, but to enable students to be active members of society and continuously gain skills and competencies through life-long learning. Therefore, the content of research and teaching at HEIs must not be controlled by the industry.

**Economistic and quantitative rhetoric**

ESU encourages active criticism of language that implies that education is a good to be traded. It is a language of inequality and an integral part of the commodification process. How language is used to describe education highly influences how it is viewed. It is our responsibility as students to question when people are reduced to numbers and customers. Understanding what policy-makers and researchers are saying has become a privilege, and ESU wants to see that privilege torn down. There is no specific policy-maker to blame for this. Therefore, ESU promotes a vigilant and critical approach to the language used to describe education.

**International trade**

Higher education should never be subjected to international trade and be part of free trade agreements. By treating education like a tradeable commodity, free trade agreements are a threat to the intrinsic values of education and have irreversible consequences on quality and equitable access to education. ESU calls for a carve-out of public and private education from European proposals for trade and services agreements and their negotiations, and calls for its-exclusion as such from the EU, EEA and EFTA trade agreements. ESU strongly believes that the responsibility to make full
reservation on education in trade policies and agreements lies both with the EU and national
governments.

Commodification and internationalisation

ESU stresses that the commodification of higher education is not a result of internationalisation. Unfortunately, the different processes of internationalisation can be seen as a reflection and result of a political tendency to perceive the self-regulation of the market as a universal instrument to reach the triad of innovation, economic progress and competitiveness of societies.

ESU strongly welcomes international cooperation in higher education, but stresses the need for a comprehensive, transparent and inclusive debate on the underlying principles of the internationalisation of education with all stakeholders in HE, on institutional, national and regional level. ESU stresses that internationalisation and commodification are separate issues, and recognises the importance of open discussions based on respect for community interests, global solidarity, human rights and non-discrimination.

Discussion about values

Current trends call for open discussions about the future of higher education, which should be based on a deep discussion about values and priorities of the society we live in. Decisions that are made on subjective interpretations of research and only serve short-term goals endanger the future of our society and higher education systems.

Critical reflection of local, national and regional policy-making and the privatisation of public goods are therefore prerequisites for a comprehensive public debate on internationalisation and its effects on the commodification of higher education. The responsibility for the commodification of education does not only arise on international or regional levels, but also at national and local level.

3. Governance of higher education institutions

Background
ESU believes that today’s higher education institutions should be governed in a way that reflects the mission and the values that higher education institutions should have. This means that models of governance that are ill fitted to support and affirm inclusive HIEs that act as facilitators of the public good must be rejected.

Higher education institutions today are not as they once were, nor can they return to their previous state. The expansion of higher education and the increased focus and demands on research in an increasingly high-tech and cosmopolitan society requires a rethinking on how higher education institutions are run. When education was a privilege for the elite few in society, and research mostly an internal affair among a very limited number of researchers, the governance structures naturally reflected this. The proponents of the old, conservative governance model often claim that academic staff had a higher degree of autonomy in the old model, but fail to recognise that there was almost no place for student participation in this, and it was also very homogeneous. However, in recent years the New Public Management approach has been increasingly implemented. The proponents of this model stress the importance of efficiency and return on investment. They also claim a high degree of autonomy yet confusingly maintain the importance of external stakeholders and the concept of “fit for purpose”. ESU rejects both of these extreme positions, noting that both approaches seriously undermine what we consider the self-evident purpose of higher education.

**Conservative approach**

The academic-conservative approach is largely oblivious to the fact that the role of higher education institutions has changed. The old governance model was one that worked when higher education was reserved for a small elite, and research largely an internal affair among a very few senior professors. It is however a model poorly suited to handle the new role of higher education institutions, and the fact that education is properly considered a right for all, and research a public interest.

**New public management**
As for the new public management approach, the problem with treating higher education institutions like companies is that they are not and should not be companies. Research and education are not simply tools for economic growth and profit. The importance of higher education for democratic development, social development, as well as personal development is easily rationalised away if the focus is too heavily on measurable economic output. ESU believes this not only robs higher education institutions of their soul and core, which should entail the free development and attainment of knowledge accessible to all, but may also work against the goal of long-term economic development.

Modern collegiality

ESU proposes instead a progressive alternative model. The basic tenet of this model is the development of the old idea of collegiality to suit the needs of the 21st century HIEs. Academic collegiality in the 21st century involves recognising that students and academic staff are united in a common purpose and should partake equally in the management of higher education institutions. The basic doctrine of modern collegiality can be described as a partnership, built on a common understanding among the participants of a shared responsibility.

Modern collegiality requires that elected students are well-read, active participants in the governance, and that they maintain a dialogue with the rest of the student body via the student unions. In this way, elected student representatives can use their information flow to benefit higher education institutions. Similarly, elected academic staff are expected to maintain a dialogue with their representative base, and share necessary information and work constructively with the other elected representatives – be they students or academic staff. All decision-making bodies responsible for policy-making and resource allocation affecting education and research at higher education institutions should be collegial in their composition. This also includes all informal decision-making bodies. It is especially vital that students are not shut out of the decision-making process on any level.

External representatives
ESU is not opposed to external representatives taking an interest in higher education and higher education institutions as such, and recognises that at many times it can be very beneficial to have people from outside academia who participate in higher education institutions in government bodies or as advisers by sharing their insights. When they are included in the institution, these external representatives must never have the majority or veto right in decision-making process. Cooperation must be on the higher education institutions’ terms, and only higher education institutions are allowed to choose these representatives. We are also not opposed to external funding, but insist that it is a governmental responsibility to provide a sufficient level of public funding to ensure that the collegially run higher education institutions are not forced into a position of dependence on external financing. That might have consequences on both sustainability of education institutions and academic integrity, affecting independence of curriculum and research.

Leadership and intersectionality

ESU demands that higher education institutions take responsibility in their governance for the inequality they foster. Neither of the existing governance models are suited to deal with the extreme amount of inequality that exists today in higher education institutions and continuously reproduces existing structures. New public management entirely invalidates the purpose of equality and intersectionality unless these serve an economic purpose. On the other hand, the conservative governance structures encourage homosocial structures under the pretence of meritocracy. Power structures go beyond those that exist on paper, and a modern collegial approach should address this. In order to avoid parallel and undemocratic structures, an inclusive approach to leadership is necessary in academic environments. A modern collegial institution must be fundamentally intersectional and self-critical. Higher education institutions should recognise their position of privilege in society and actively work to improve society within and outside its walls.

Leadership and training
In a modern collegial higher education institution, the academic role of academic leaders should be recognised and fostered. The relationship between the leadership and the rest of the collegiate must be one of trust and professionalism. The leadership should be able to make strategic priorities, as well as handle conflicts that arise within the collegiate. Handling such conflicts can often be difficult for an academic leader who is elected from among that very collegiate. For this reason, we would like to encourage the development of a partially separate leadership career-track for professors. This is not to say that academic leaders should not be teachers or researchers but that there should be proper support structures for those among the collegiate who choose to focus on academic leadership. Taking on academic leadership roles should never be considered a demotion in the academic career. In this way, those who have an interest in academic leadership can focus on the development of these skills and receive the support they need. An open recruitment process for academic leaders should be affirmed, meaning that everyone with the necessary qualifications within the relevant subjects should have an equal chance to apply for a leadership position – even if they aren’t currently working at the institution in question.

4. Financing of higher education

Background

Higher education plays a vital role in society, and the quality, accessibility, equality and form of higher education is highly dependent on financing. Societies are being transformed in such a way that knowledge is increasing in importance and is considered to be the engine of development. To this end, higher education institutions take on a central role in developing and sharing knowledge. Higher education can never be considered solely as a means for improving economic competitiveness. Higher education has other aims and consequences, among them forming the basis for tolerance, democracy, critical thinking and personal fulfilment. These objectives must be taken into account when allocating funds to higher education. In this respect, funds allocated to the higher education sector should not merely be considered an expense, but a provision of public good and public responsibility.

Although financing systems in Europe are very diverse, they still contain particular common characteristics that separate them clearly from other systems in the world. The European approach is characterised by its treatment of higher education as one of the fundamental public
responsibilities. This policy paper refers to the financing of higher education, based on two components: the financing of research and teaching through higher education institutions and the financing of students. Neither of these can be neglected in efforts to create qualitative and accessible higher education.

The funding gap

In the past decades, numbers of students have increased significantly, while the amount of public funding for higher education has not. As a matter of fact, in the last years public funding has decreased in nearly all European countries, resulting in a gap in financial resources. Apart from that, we have seen developments that have dramatically influenced the level of required financial support, such as the internationalisation of higher education and research, the desire for quality and new teaching methods, the increasing and different economic interests in higher education, and the diversification of places where knowledge is created, disseminated and transferred. Not addressing these developments can have tremendously negative long-term effects. Therefore, governments must prioritise higher education and increase public investment to ensure accessible and qualitative higher education.

Financing of research and teaching through higher education institutions

It is of vital importance that public funding guarantees stability and sustainability in the development of higher education. ESU stresses the importance of governments in ensuring that higher education institutions have sufficient and sustainable resources to deliver high quality teaching and research and meet broader educational, social, cultural and economic goals.

All fields of study should have adequate resources to develop, regardless of how commercially attractive they may or may not be at the moment.

Resources to support reforms that would open institutions to mobile students must be provided. This includes the services and facilities necessary to enable mobile students to study successfully. The resources should be provided to ensure that every student has the possibility to be mobile.
Necessary financial and legislative framework to foster cooperation between higher education institutions must also be provided. This should focus particularly on accessibility to the benefits that emerge from international cooperation (e.g. access to joint degrees, affordable internal and international mobility, etc.). Sufficient funds should be ensured in order to foster lifelong learning, and for the state to pursue following measures. Governments should also legislate the prohibition of tuition fees, but at the same time guarantee free access to higher education.

Publicly and partially publicly funded research, research data and teaching materials should be available to everyone. Researchers should be adequately enumerated for their research, and the intellectual property of research should remain with the author. The creator should publish both data and paper under public copyright licences to improve open education in general. HEIs and local communities should discover possibilities to cooperate more on research projects that would work for the development of communities.

**Optimisation of funding of higher education institutions**

It is a public responsibility to guarantee the financing of higher education and research. We can neither have real academic freedom, nor high quality tertiary education without public funding that fully covers everything higher education institutions need to work properly in an independent, free and autonomous way.

External funding always bears the danger that the public investment is being cut, thus reducing the budget available for teaching and student support and raising higher education institutions’ dependency on non-public financing. Therefore, external funding can be accepted only under the condition that it is always and solely a supplement to public funding.

States should enable proper legal framework for regulating such income sources. Economic interests must not play a role when it comes to external funding of higher education.

ESU stresses the importance of observing the following principles for alternative funding:

- Basic research and research purely for the sake of knowledge are of public interest and should not be jeopardised;
• The mission and objectives of higher education institutions should not be influenced by the short term interests of the corporate world;

• The development of all fields of study should be safeguarded. Particular attention should be devoted to less commercially attractive fields of study and financially demanding research areas;

• The distribution of alternative finances should be carried out in a transparent manner by democratic bodies, either on an institutional or governmental level, or by a publicly mandated independent body, involving main stakeholders of higher education, with none of them prevailing;

• Measures of financing should not motivate higher education institutions to prevent students from choose their desired study paths and final qualifications. Teaching and research go hand in hand and should therefore be equal in importance and complement one another. An adequate amount of money should always be available for improving the quality of programmes and developing new approaches to teaching and learning;

• The use of external funding calls for greater transparency in budgets and in the general decision-making process of higher education institutions;

• Alternative sources of financing must not be used as pretext to reduce public funding;

• Tuition fees and student debt are not to be considered as an option for HE funding, neither alternative nor otherwise.

• Digitalisation of education should not be used as a reason to cut funding of higher education, especially the funding allocated to teaching and learning environment. Instead, it should be used for improvement of teaching and learning experiences. The higher education institutions should be provided with additional funding in order to provide successful implementation of digitalisation, including needed training for digital tools, skills and learning environments for the students and teaching staff.

**Input factors**
Traditionally, higher education has been funded according to input factors such as number of
students, staff and departments, based on detailed budgets on annual basis. However, various
models for reforming the allocation of resources to higher education institutions are being
considered with a goal of ensuring a better use of public funds. Output based funding, supply
driven contracting, and other models should all be analysed properly. These should only be
seriously considered if they do not reduce the quality of the education or affect students’
possibilities for access to education and the completion of their studies, while also taking into
account students’ social and financial background. New methods should cater for the expansion
of lifelong learning and increasing the number of non-traditional students. In both cases access
to higher education and successful completion of studies must be guaranteed.

Performance based funding

Funding allocated according to performance of education institutions (such as the number of
graduates or ECTS points granted) is used as a steering tool to promote efficiency and
effectiveness. In an attempt to ensure the adequate use of funds, this can give higher education
institutions an incentive to rush students through their education at the cost of quality.
Therefore, ESU strongly advises that such output factors should not only be based on quantity,
but should also take into account other integral aspects of academic and student life, along with
regional differences. This ensures that funding reflects the different quality criteria to some
extent, and also promotes high quality studies education for diverse student population in every
way.

The first step required in attempting to close the funding gap is conducting an analysis of current
expenditures, followed by attempting to improve expenditures, and thus ensure the better use
of existing funds. Structures and mechanisms of internal allocation of resources should be
constantly checked and revised where necessary.

When the performance-based funding model is used, it should be ensured that the fiscal
stability of higher education institutions’ funding is not compromised. Additionally, the core
funding of different disciplines or academic fields must be safeguarded.

Property
As previously mentioned, the democratically elected members of the governing bodies of higher education institutions must be trained in managerial skills, such as understanding budgets. This should lead to a more intensive involvement of the teaching staff, students and other members in strategic planning. The use of higher education institutions’ property should be free for students and other internal organisations. However, institutions are encouraged to make better use of their property as an additional source of income through renting it out to external organisations.

**Tuition fee free education**

In attempting to bridge the funding gap, governments tend to turn to students in order to quickly increase funding in higher education. In this way, introducing or raising tuition fees becomes an easy solution to a complex problem, where the money available within the higher education sector remains insufficient in ensuring an adequate level of quality.

Making students pay for their education in order to fill the national funding gap in higher education is unacceptable and undermines the right to education for all. Additionally, the imposition of high fees on international students (or from non-EU/EEA countries) is unethical, discriminatory, unacceptable and short-sighted. Fees for international students are a hinder to internationalisation and integration, and especially create obstacles for free-movers. ESU believes such measures contradict the idea of mobility and the spirit of the Bologna Process.

**Benefits of education**

ESU believes that tuition fees represent an obstacle to equal access to higher education and jeopardise the successful completion of the studies. The idea of charging tuition fees is based on the ideological/economic belief of dividing higher education into public and private benefits. Such a division is popular in some economic theories, but it directly contradicts the societal norms and values of higher education as a basic institution of civilisation and a human right. Weighing and measuring the outcomes and benefits reduces higher education to an economic function, the result being the reduction of education to a commodity, which is a dangerous and lethal process for society’s well-being. The principle of tuition fee-free education applies to the
1st, 2nd and 3rd cycles, as well as part-time studies and higher education courses provided to life-long learners.

Proposals suggesting various forms of ‘student-friendly’ tuition fees are ever-more increasing. In this respect, post-graduation repayment schemes are the most popular suggestion. There are no student-friendly tuition fees. ESU believes such policies are unacceptable, deceiving and harmful for broader access and the successful completion of higher education.

Entry into the labour market is one of the most delicate and uncertain periods of a person’s life. Even in cases where repayment schemes are only triggered when one’s salary rises above a certain threshold, the threat of accumulating debt is a decisive factor for many potential students when considering whether or not to enrol in a higher education institution. This has also been evident in systems where loans have been introduced as an accompanying measure to the tuition fees. ESU reaffirms its opposition to tuition fees, in whatever form they may be. Forcing students to pay for their education in order to fill the national funding gap in higher education is unacceptable and undermines the right to education for all.

**Financing students**

**Student support and access**

ESU stresses that without proper student support, a large number of people are excluded from higher education due to economic reasons. Student support cannot only cover the costs of potential tuition fees, but also the study and living costs such as housing and food, transport and study materials. Publicly funded study grants should cover at least the costs that students incur due to their studies. All students should have equal and universal access to publicly funded student financial aid. In a case where a preferential choice must be made, the financial support should focus on less well-off students, rather than on the basis of academic merit. This will enable wider participation in higher education, as well as enable students to finish their studies on time as they will be able to focus on their studies.

**Information, distractions and debt**
ESU strongly believes that institutions and government authorities should provide information, advice and guidance on all existing sources of financial support available to students. This information should include advice and assistance on how to apply for financial support and the conditions for eligibility. To ensure the quality of learning and education, students must be able to devote themselves to their studies. Student support should also be in place to ensure the stable learning process, without distractions caused by the need to earning money to afford to live and study.

Student support should be given through grants and free or discounted services. For students, the difference between receiving financial aid in the form of loans, as opposed to grants, is enormous. This draws a dividing line between the actual funding of students and the generation of a creditor-debtor situation. The latter is financial assistance, but not financial support; the condition of repayment makes it an artificial measure of support. ESU opposes any mode of student financing that gives rise to the burden of debt following graduation.