Piloting through the Recession: Continuing Higher Education in Europe and the United Kingdom

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INTRODUCTION

In common with the United States, Europe is currently experiencing a serious economic recession. The crisis, which started in the financial sector, is now rippling out and affecting heavily other economic sectors: construction, property, retailing, manufacturing, etc. The arguable cause of the crisis was a failure of management in financial institutions, whose lack of oversight and understanding of complex financial instruments eventually led to a systemic crisis that destroyed the values of enterprises (Geithner). Countries in Europe, including the United Kingdom, bought into this model just as much as the US.

Symptoms of the crisis are everywhere: businesses postponing investments, firms closing, banks reluctant to loan, and governments forced to intervene in often heavy-handed ways. Unemployment is increasing and growing unemployment, in turn, creates difficulties for young and old who are forced to search for a new job. The forecasts for growth in the short term are pessimistic despite the prosperity of certain value businesses and an increase in exports. Overall though, these are challenging times with strong implications for higher education and particularly continuing education (CE).
The challenges for universities stem in part from the employability of graduates. The goal of employment in traditional professions, e.g., financial services or large firms in particular sectors, has become much less achievable. Many workers throughout the UK and Europe have avoided the specter of unemployment for more than a decade, but now a large number of people are being forced to search in some unlikely places for work. Universities face the biggest challenge for a generation or more in placing graduates, and will need to provide confidence, skills, and tools that will enable students to start or resume their careers. Companies are also trimming operating costs and reducing their training budgets, which erodes their purchasing power for continuing education and university services.

There are challenges aplenty for the continuing higher education sector in Europe, and in the UK a tightening of public expenditure and government support for universities compounds the situation. The CE landscape has already changed significantly over the past decade as departments diversified into widening participation, work-based learning, and continuing professional development. The current challenge for CE departments is to adapt and optimize opportunities or risk decline or even closure. This article begins by examining EU policy and responses to the economic crisis and leads into more specific initiatives originating from the UK.

EUROPEAN INITIATIVES

Across the European Union (EU) the economic symptoms are broadly the same: a crisis in the financial sector sending tremors through other economic sectors. The unusual aspect of the current crisis, however, is that the public sector has had to intervene to stimulate the economy and to save banks that had sought previously greater autonomy and argued recently for less regulation. In response to the crisis, a European Economic Recovery Plan equivalent to about 1.5 percent (or 200 billion Euros) of the GDP of the EU was approved in December 2008 (www.ec.europa.eu). This plan provides the EU and its member states with a common framework for ensuring a consistent response that maximizes effectiveness. Achieving such a common response is a goal reached by political negotiations to bridge the complexity and heterogeneity across the EU.

In March 2000 the European Council in Lisbon conceived the strategy that Europe will adopt in response to the current economic downturn. This set out the collective intention for Europe “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustain-
able economic growth with more and better jobs and greater social cohesion” (EC, 2000). Europe committed itself to the development of knowledge and its effective use as the means to create wealth and solve new challenges. Education and training are at the heart of these plans.

The European Commission (EC)—the administrative service for the EU—is continuing the development of the knowledge economy and devising initiatives to sustain this drive through support organizations in this downturn. These are in addition to the long-term support for research and lifelong learning. Three relevant initiatives merit highlighting:

- the European Year of Creativity and Innovation, which is a promotional campaign to encourage original thinking;
- the launch of the European Institute of Innovation and Technology (EIT), which presents as a new framework to create knowledge economy enterprises; and
- the University-Business forum, which aims to strengthen bilateral cooperation between both sides through a wide range of actions.

Economic challenges have led EU economic policymakers to designate 2009 as the European Year of Creativity and Innovation. The idea behind this is that public policies can encourage original thinking and that citizens can be persuaded to be open to innovation and change. Although it is difficult to predict the future with certainty, some of the most important factors that will shape and change Europe are becoming apparent: demographic ageing, climate change, and technology impact.

An aging population across the continent means that there are relatively fewer young people in the labor force. This will pose a major challenge for human resources in maintaining high standards of living and social care. Climate change and the need to move to a low-carbon economy will also profoundly shape the economy, methods of production, and social life. Sustainable development is a significant issue already in economic planning. Finally, technological change is predicted to continue and probably increase, leading to new products largely driven by the application of information and communication technologies and nanotechnologies.

The European Institute of Innovation and Technology also aims to make an economic contribution (eit.europa.eu). The European Commission wants to see Europe become a stimulating location for world-class researchers, technologists, educators, business people, and entrepreneurs. The EIT, with headquarters in Budapest, was created to enhance innovative relationships throughout the knowledge triangle of higher education,
research, and business. Knowledge and innovation communities (KICs), which are highly integrated partnerships of excellence that will have a direct impact on the creation of new business ideas opportunities through entrepreneurship, spin-offs, and spinouts, will be the centerpieces of the new institute. The three KICs selected this year are likely to feature the information and communication society, sustainable energy, as well as climate-change mitigation and adaptation.

UNIVERSITY-BUSINESS COOPERATION

The European Commission recently initiated a University-Business forum to consider the best ways for universities to support business. Cooperation between universities and industry is the cornerstone of modern higher education, according to Jan Figel, the European Commissioner for Education, Training, Culture, and Youth. At the launch, Figel warned European governments and industry leaders not to react to the economic downturn by slashing investment in education:

Cutting investment in education or research would destroy capital and knowledge, and compromise Europe’s growth and employment prospects in the medium and longer term. In fact, this is the time to invest more, not less, in education research and innovation. Only a well-educated and well-trained workforce will allow Europe to stay competitive, create jobs, keep its prosperity and maintain its influence on the world scene.

The new platform involves higher education institutions, companies, business associations, intermediaries, and public authorities. It is intended to enable and stimulate the exchange of good practice, discussion of common problems, and collaboration on possible solutions. The forum provides an opportunity to network, showcase successful partnerships, and present new forms of cooperation between higher education institutions and businesses. Its objective is to achieve more intense forms of collaboration and more structured relationships between the two sectors to better meet the challenges of globalization.

Cooperation between higher education and business is now widely recognized to have benefits for both sectors. It stimulates bilateral knowledge transfer, leads to long-term partnerships that can open opportunities and improve returns, and helps prepare students for future employment. Examples of successful cooperation between the two sides exist throughout
Europe. However, the level of cooperation remains very unequal across countries, universities, and academic disciplines, and the extent to which it has influenced governance and organizational cultures in both business and higher education is so far limited.

This is a complex challenge due to the variety of missions among universities, the economic diversity in the regions of Europe, and the range of industries that make up the marketplace. However, the EU has grouped discussions into five dimensions that have a wide impact on continuing education: mobility, corporate governance, continuing education (lifelong learning), curriculum development for entrepreneurship, and knowledge transfer. Mobility of staff and students is a strong theme in the drive to create a European Union, and the current issues of concern are the barriers to mobility in the form of credit recognition, administration, and European-wide rather than locally based mobility. Embedding business cooperation into universities raises issues of balance in institutional governance, but creates closer links with alumni through relationships that add value. Mobility and corporate governance have wider institutional impact, but lifelong learning, entrepreneurship, and knowledge transfer have more direct effect on the work of CE departments as they seek to identify areas of activity and business.

LIFELONG LEARNING

Departments of continuing higher education tend to respond to national government and EU policies since they need financial support from these bodies. These EU policies and priorities will help shape the future development of continuing higher education. The EU perceives engagement with business as a way for universities to attain their economic, cultural, and social goals. One key theme for supporting continuing education springs from a commitment to developing a knowledge economy. Knowledge and its application are seen as the means to create wealth and solve new challenges. Across Europe, technological change, globalization, the shift to a low-carbon economy, aging populations, and the evolution of social structures all mean that both labor markets, and the skills people need, change ever faster. Anticipation of future needs is important, therefore, to help people acquire the right skills for their future jobs.

The scale of the economic transformation is substantial. The EC estimates that the proportion of jobs requiring high levels of educational attainment will rise from 25 percent to 31 percent of the total (EC). Jobs needing
medium qualifications are also predicted to increase from 48 percent to 50 percent. This amounts to 39 million and 52 million high- and medium-level job openings, respectively. However, jobs requiring low levels of education attainment will decline from 26 percent to 18 percent, equating eventually to 10 million job opportunities.

An assessment of the labor markets and skills through 2020 shows that Europe will see new jobs in the service sector—almost three-quarters of jobs in the EU-25. Further, there will be many jobs created in high-skilled occupations but also some job creation in entry-level jobs. Demographic forecasts predict a relative decline in the numbers of young people. There is also a need to keep abreast of the pace of change through technology and the emergence of new skills and competences. The ineluctable conclusion for European policymakers is that it is crucial to develop a population of lifelong learners. The EU’s Lifelong Learning Programme, which has a $9 billion budget for the next seven years, seeks cooperation in education policy, student exchanges, and adult learning (EC, e). Improving employability involves not only those who enter the labor market. The upgrading of competences for those already in the workforce is an equally important challenge, even more so as job losses mount in the current downturn. The EC’s review of progress in the Education and Training 2010 Work Program shows that the participation rate of adults in lifelong learning is rising too slowly in certain member states (EC, a).

There are direct implications for continuing education. People with low qualifications currently face a greater risk of unemployment. Hence, one challenge is to bring about the “up skilling” of the European population. This involves a set of key competences that are perceived to become more important in the future: communication skills, digital competences, cultural awareness, language skills, initiative, and entrepreneurship. More jobs will require high and medium education levels among the working population. Across sectors, transversal and generic skills will be increasingly valued in the labor market: problem-solving and analytical skills, self-management and communication skills, the ability to work in a team, and digital competences. Stimulating entrepreneurial mindsets is also an important goal that should become an integral part of education that is enhanced by better education-business cooperation.

A second challenge is to develop the future wealth creators and innovators. The aim is to combine high technical skills with the skills to ensure a functioning knowledge triangle comprised of education, research, and
innovation, which are components that can bring ideas to implementation. The EC asserts that “an updated strategic framework for European cooperation in education and training” should be built around strategic challenges, including enhancing innovation and creativity as well as introducing entrepreneurship at all levels of education and training (EC, d).

At a time when student numbers may well start to trend down for demographic reasons, continuing education represents a huge potential opportunity for universities. Although continuing education is increasingly important on the EU agenda, it is still not well established within all European universities. A study by the European Universities Continuing Education Network (EUCEN) for example, showed that 79 percent of European universities surveyed had a lifelong learning strategy, but 30 percent of respondents said this was not high on their agenda. Although the widening of participation in higher education is already a priority for many European countries, the report recommends that a comprehensive reorientation towards delivering lifelong learning be required. The European Universities’ Charter on Lifelong Learning, adopted by the European Association of Universities (EUA), has set out a guide to the principles involved. It lists 10 commitments for universities covering wider access to learning, diversifying the student population, increasing the attractiveness of study, lifelong learning in a quality culture, and developing stronger partnerships at local, regional, national, and international levels.

**CURRICULUM DEVELOPMENT: ENTREPRENEURSHIP**

An expert group of entrepreneurship educators has highlighted the role of education in promoting more entrepreneurial attitudes and behaviors for growth and employment in Europe (EC, d). Entrepreneurship is interpreted as an individual’s ability to turn ideas into action and is a key competence for all—to help people become more confident. One of the main conclusions is that entrepreneurship education ought to be comprehensive and open to all interested students, in every academic discipline. The teaching of entrepreneurship is not yet fully integrated into university curricula even though many innovative and viable business ideas are likely to come from technical, scientific, and creative studies. A real challenge, according to the findings, is to build interdisciplinary approaches, creating teams of students from a mix of faculties and backgrounds to exploit business ideas.

The expert group also observed that demand for learning about entrepreneurship is increasing, although a shortage of human resources means
that it is not possible to meet demand fully. Since there are currently too few professors of entrepreneurship, the group recommended that universities recruit outstanding entrepreneurs and business people to teach entrepreneurship, for example, through visiting professorships.

The involvement of businesses and entrepreneurs in curriculum development can help ensure a closer linkage to the needs of the labor market. Curriculum development is a key educational process that can boost the innovative capacity of a university institution. The lifecycle for higher education courses has become much shorter; courses are revised and new courses validated at a much faster rate than in the past (Universities UK). This acceleration of the curriculum development process is attributed to multiple factors: rapid developments in science, technology, and business; the broadening of the scope for higher education; competition between institutions; and the expectations of government, employers, as well as students that an educational program will provide the most contemporary knowledge in a particular discipline. However, short-cycle curriculum development is an area of expertise and capability of continuing educators. There is an opportunity to apply an entrepreneurial and business approach to a range of disciplines to ensure that graduates are employable.

There are two notable national initiatives in Europe on entrepreneurship education. The IDEA (International Danish Entrepreneurship Academy) network—financed by grants from the state, counties and municipalities, and private sources—encourages entrepreneurship in students from higher education and community college institutions through financial support, mentoring, courses, and networking opportunities (www.idea-denmark.dk). In the UK, the National Centre for Graduate Entrepreneurship operates an International Entrepreneurship Educators Program to train educators, undertakes research in the field, and provides an accessible source of materials and reports (www.ncge.com).

**KNOWLEDGE TRANSFER: PUTTING KNOWLEDGE TO WORK**

The EC University-Business Forum takes a broad interpretation of knowledge transfer, encompassing the exchange of ideas and knowledge between universities and business. The general view is that Europe is productive in the generation of knowledge, but must improve the exploitation of publicly funded research and development. A number of programs strengthen pathways by which the knowledge generation capacities of publicly supported university research can combine with enterprises to bring innovations to
market; currently the level of lasting strategic cooperation between the two sectors is perceived to be too low.

The knowledge transfer relationships between a university and an enterprise involve the exploitation of knowledge assets in the area of research, development, and innovation. These areas have also been hit by the recession. For example, one of the most difficult areas for business engagement is raising funds from commercial sources for company spinouts. Universities put intellectual property into a spinout company for specific reasons: so that it can trade in its own right, or as a means to leverage in funding from commercial sources for developing the value proposition of the business. Investors hit by the economic recession are more reluctant to invest in spinout firms or start-ups, preferring to fund more advanced phases.

There is scope for developing continuing education services in the area of knowledge transfer. Existing forms of cooperation with business such as conferences, internships, and project work could be expanded. Support could be given for extracurricular opportunities that add value, such as junior consultancy companies or incubators providing customized support to university students and staff to implement new business ventures. Universities could develop programs for the professional management of intellectual property. Businesses find it difficult to find time and resources for interaction with universities, so continuing education solutions that simplify the contact is beneficial to both parties. The interdisciplinary solutions often adopted by continuing education commonly form the basis for addressing real-world problems. Adopting these approaches can help contribute to several aspects of the university mission, for example, generating socio-economic benefits and attracting the best students and staff.

DEVELOPMENTS IN THE UK

The environment for continuing higher education departments in the UK is very challenging currently, according to a recent 18-month study (Attwood). The investigation highlighted a string of cuts and closures of university continuing education departments in recent years. The universities of Bath, Birmingham, Bournemouth, Bristol, Durham, Exeter, Leeds, Leicester, Manchester, Newcastle, Southampton, and Surrey have scaled back or eliminated their lifelong learning provision since 2000. Many other universities are in the midst of potentially substantial changes, and what their future holds is as yet undetermined. The report concludes that cuts and closures leave the future of adult education unclear and that university
adult education could be extinguished in large swathes of the country. Put starkly, continuing education departments have to adapt or die. There are a number of significant challenges to face, including financial support, competition, and equivalent level qualifications (ELQ).

Adult education in its traditional form, rather than business or continuing professional development, has been the bedrock of course provision in most long-established continuing education departments in the UK. The provision has suffered from the perception by government that course prospectuses have been skewed to the affluent and not the needy. Hence, there has been a move by CE departments towards widening participation. The current economic downturn, however, is adding further complications for continuing education managers. The first complication comes from government re-directing public support. The consequence is that university financial managers review resources and prioritize away from continuing education. The second challenge is that the search for new opportunities is much more competitive because the recession is hitting businesses and more competitors are trying to secure business.

The UK banking sector has been bailed out by the taxpayer, creating the need for austerity and cuts in funding public services, including higher education. This gives rise to the third challenge, in which the government funding agency in England is encouraging universities to develop employer engagement and widen participation, while withdrawing funding support to students studying for equivalent level qualifications. The ELQ issue is centered on a withdrawal of subsidy for UK or EU students taking a new undergraduate or postgraduate course if they already have a qualification at the same level. The aim of this measure is twofold to secure financial savings of $140 million and to redistribute it to students considered higher public priority, such as those entering higher education for the first time.

The effect of the ELQ policy on continuing education departments in England has been financially crippling. What happens to enrollments when universities raise their prices? Student-demand studies applied to higher education suggests that enrollment rates are negatively coupled with the tuition charged to students and also that enrollment rates will be positively coupled to student aid, which effectively reduces net prices for the student (Leslie). The practical results of the ELQ policy follow the predictions of student-demand theory, with students being very responsive to the increase in tuition prices, leading to a reduction in enrollments. In the past, universities have seen continuing education as a public service. Faced
With a continuing education revenue decline a number of universities have announced the closure of their continuing education departments.

With over 150 university providers to choose from in the UK and business contact points within each one, there is already plenty of choice for businesses, and competition among universities for their work. Continuing education in the UK, in general, has given more prominence to widening participation in liberal adult extension studies as well as adult education research and less emphasis than the US in business support and online learning. The market environment calls for CE to formulate a cost-effective and resilient delivery portfolio. Fortunately, participation rates appear to be increasing in the UK. Companies still need support to up skill, there are opportunities in professional updating for continuing education, and online delivery provides the flexibility for employees to study and stay in work.

CONTINUING HIGHER EDUCATION SUPPORT FOR BUSINESS

The need to adapt is driving universities to examine how they can better engage with their regional-local business communities. While much media emphasis is placed on the negative aspects of the recession, a strong knowledge base and the ability to exploit new technological and market opportunities are critical components of any plan to weather the current economic crisis. The university sector has an important potential contribution to make as engines of economic growth and development.

The key issue for continuing education managers is developing programs that contribute to rapid economic recovery and help sustain the competitiveness of provision. University continuing education can provide staff training at all levels, with courses designed for the specific needs of business that can improve leadership and management skills, and programs to improve the customer experience. Consultancy services can help improve company practices. Businesses can also engage through work placements and inspire people facing redundancy or a change in circumstances by arranging for further education and training. Although these are not as attention grabbing as creating a high-tech spinout company, they are practical measures that benefit the economy. Other types of investment in knowledge transfer between higher education and business can benefit continuing education and the economy.

The government funding bodies for universities in the UK have devised economic investment schemes to support a number of university initiatives that contribute to the economic recovery of businesses. A set of case studies
describes how business can engage with universities (Universities UK). A good example is the ProfitNet program at Brighton University (www.brighton.ac.uk/profitnet). It provides practical support to help small- and medium-sized enterprises (SMEs) spot problems early. The program offers practical and hands-on advice for local firms—both start-ups and established businesses—through sessions targeted at specific business sectors. ProfitNet works by creating facilitated learning networks. Groups of 15 to 20 businesses meet monthly for knowledge exchange and sharing of best practice in business planning, strategy and innovation. Bringing together 500 companies across Sussex, it has helped to create supply chains, develop new processes, and explore joint venture opportunities.

Innovation vouchers, begun in Austria, are another example. The EC recognizes them as one of the best methods for making support easier for SMEs. Innovation vouchers help businesses purchase academic expertise from universities to support innovation and business improvement. There are few bureaucratic obstacles for the business; the voucher is easy to apply for and the costs are relatively low. An example is the Aston INDEX scheme, which provides small- and medium-sized enterprises in the West Midlands with a $4,000 voucher to buy academic support for an innovation at any of the region’s 13 universities (www.indexvouchers.org). So far 200 such businesses have benefited from the Aston scheme, which is funded by the EU and government research councils. Plans for similar schemes in other parts of the UK are now well advanced.

Another initiative widely applied by every university is a knowledge transfer partnership (KTP). This is a UK-wide program that enables companies—primarily small- and medium-sized enterprises—to access knowledge and skills from higher education institutions to develop a business strategy. Each partnership employs one or more high-caliber KTP associates—graduate or post-doctoral—for a project lasting one to three years. The University of Wales, Lampeter, collaborated with a food distribution company to develop premium indigenous foods and a supply chain. As a result, the company grew in number of employees, customers, turnover, and profit from an SME to a large-sized enterprise in two years. This has led to an initiative on performance improvement and innovation in small firms.

The University of Wales Institute, Cardiff, is pioneering a new approach to work-based learning (WBL) by bringing together eight continuing education departments across Wales to explore teaching and learning
innovation in WBL and to consider creating an All-Wales Centre drawing together all the key stakeholders. The centre intends to offer innovative teaching and learning assignments for employees, including work-based assignments, reflective practice, and mentoring. It also aims to contribute to the knowledge economy by creating sustainable continuing education-business partnerships. Company-based part-time students will benefit from user-friendly approaches to the accreditation of WBL, such as learning recognition and portfolio building, to allow the flexible accumulation of credit for a qualification.

The universities of Glamorgan and Newport in Wales strongly emphasize continuing education using different models of learning, such as skills development, to meet the needs of future economic development. Adult learning is used to compensate for a poverty of educational experience earlier in life as well as for citizenship. These institutions are applying diverse forms of adult education that contribute substantially to societal good at a time of economic recession.

Entrepreneurship is seen increasingly as a crucial source of competitiveness and wealth creation for the economy in the UK and around the world; a body of evidence supports this observation (Mazzarol, Jack). The Welsh Assembly Government (WAG) is especially keen on entrepreneurship for economic competitiveness, innovation, and creating an enterprise culture. The Entrepreneurship Action Plan for Wales has defined a clear role for education in identifying and supporting competent individuals who are motivated to establish viable enterprises. This initiative supports curriculum development for entrepreneurship education in universities in Wales, as well as enterprise champions in each institution.

Since enterprise education is recognized as a significant influence on the development of entrepreneurial knowledge, skills, and attitudes, there is a compelling case to examine how enterprise education can be encouraged. Entrepreneurship, however, is traditionally a subject based in business schools for business studies students. Developing the entrepreneurship curriculum for non-business students for practical application, i.e., starting a business, rather than academic interest appears to be relatively under-investigated (EC, d). In continuing education at University of Wales, Lampeter, a broad spectrum of support activity to encourage graduate entrepreneurs has developed including an enterprise champion, two enterprise interns to support full-time and part-time student activities, an entrepreneurship club, and scholarships that support graduate start-up companies during their first year of trading.
CONCLUSION

Europe and the UK are currently in recession and have a number of long-term policy challenges, including creating an indigenous knowledge-based sector that can generate wealth and employment as can be found in areas of the US, such as Silicon Valley. Universities have a key contribution to make. Students are the graduates, entrepreneurs, innovators, managers, employers, and leaders of the future, and in Europe and the UK future prosperity lies in the contribution universities make to the knowledge economy. The issue for continuing education managers is how to optimize the opportunities available.

Consultancy services, high-level skills development, the provision of innovation and new knowledge, the training of professionals in key fields, and major research and development programs will support the UK’s needs and challenges in the future. Initiatives in these areas that bring the continuing educator and businesses closer together have the potential to maximize opportunities to support businesses, especially in difficult times. Charting a course through the turbulence is never easy for a continuing education manager; the natural reaction is to hunker down and wait for things to improve. Retreating into a shell is not always an option, or the right decision. The economic recovery will come when businesses rehire and expand. The big questions confronting continuing education managers are where the business opportunities are, how to adapt, and how to take these opportunities forward.

REFERENCES


