

**SPEECH OF DR. PATRICK PRENDERGAST
AT THE IUA SYMPOSIUM – 21ST CENTURY UNIVERSITIES –
PERFORMANCE AND SUSTAINABILITY**

'THE ROLE AND CONTRIBUTION OF UNIVERSITIES'

Royal College of Physicians in Ireland, Kildare Street, Dublin 2

29 September 2014

Colleagues and Distinguished Guests,

It's my honour, as this year's chair of the Irish Universities Association, to welcome you to this symposium, and to give the opening remarks.

Today, we look at issues of competitiveness, performance, regulation, governance, and financing focused on the Irish higher education sector. We seek a contextualised and informed overview. We want to understand Ireland's position compared to other countries, and we want our thinking about future sustainability to be informed by best international practise. So today we will hear from international experts in the plenary sessions, and from national stakeholders in the afternoon panel session.

To our international speakers, who have come from far afield, I extend a warm welcome, and thanks for your presence here today.

Thanks also to our national leaders – coming from industry; the Union of Students in Ireland; the Department of Education and Skills; the employers' confederation (IBEC); and the Higher Education Authority.

I'd like to thank the IOTI - the Institutes of Technology in Ireland - for their support and help with this symposium. My comments today are on behalf of the whole higher education sector in Ireland, not just the universities, because we have a connected system in this country, so it's not appropriate to speak of the universities in isolation.

My particular thanks to our Minister for Education and Skills, Jan O'Sullivan, who will address us after lunch. By her presence here, she signals how seriously government is taking the issues under discussion today. We see this symposium as an important contribution to the study announced in July on the benefits of higher education and its future funding.

* * *

Successful countries depend on successful universities. The opposite is also true – declining universities lead inexorably to declining economies and job losses. All high-functioning knowledge economies have universities of global reputation. Since Ireland is a knowledge economy, our mission can be stated very simply: we need an excellent, globally competitive higher education system.

When I say 'need', this suggests that we don't currently have an excellent system. So before I proceed, I'd better clarify: I believe we have a strong model of higher education in this country - we don't need to reinvent our model. In a moment, I'll talk further about this.

I also believe that, within the system, the individual universities and institutions have performed resiliently, indeed valiantly, in the difficult past years.

But resilience and a good model do not add up to an excellent, high-functioning system. Two findings recently published by the Higher Education Authority should prevent any complacency on this question:

- First, the staff-student ratio in Irish universities. The HEA notes that, the staff-student ratio has increased from one academic staff to 15 students in 2007, to one to 19 in 2014. The norm in OECD countries is now one to 14. And according to the latest QS rankings, published a fortnight ago, the average for the top 200 ranked universities is 1 to 11.7.
- Second, capital infrastructure. The HEA notes that since 2008 there has been virtually no State investment in capital infrastructure, including investment for maintenance. At the same time, the HEA notes that 40 percent of the system's infrastructure is now below par. This can't continue. In a knowledge economy, we need highly-trained graduates used to working with the latest equipment and technologies. If we don't constantly upgrade facilities – labs, libraries, computers - students will not be equipped for the workforce and the country's competitiveness will suffer.

These sober figures put paid to any claim we might have to an excellent system. If something isn't done, the staff to student ratio will continue to deteriorate, and our campuses and buildings will fall into disrepair and decay.

We've convened this symposium to work out what we need to do to bring excellence to our higher education system.

** * *A horizontal issue* * **

Now is a good time to be considering this: The country is emerging from five difficult years of austerity and cut-backs. During this 'fire-fighting' period there was hardly time to consider the long-term future of higher education, nor the sustainability of the current financing and regulatory models.

Thankfully, things are beginning to change: growth is up, unemployment is down, credit ratings are rising. Most of us are feeling the return to confidence. So now is a good time to be raising the future of higher education, a sector that impacts on all others.

At any time, we face crucial issues like climate change, health care, social protection, communications, transport, energy, competitiveness. All these are priorities. But they are priorities which can be best addressed with the help of the research and graduates coming out of institutions of higher education.

How can we attract multinational companies and foreign direct investment to Ireland, or try to establish industry hubs here, if we can't count on high level research and excellent graduates? It would be a non-starter. Higher education is horizontal to economic growth.

If universities are globally competitive, then it follows that their graduates, their research, will have global impact and value. That's why when that remarkable philanthropist, Chuck Feeney, looked to improve the situation in Ireland and other countries, he invested strongly in universities. He understood the horizontal effect. And he wasn't an academic – he had no vested interest.

For this country to excel, we need a globally competitive higher education system. That's the mission. Now we need to define the steps that will take us there.

** * *Resilience* * **

Notwithstanding the last few difficult years, we are coming at this from a position of strength. Ireland is fortunate in the resilience of its universities. Right through the recession, we continued to do world-class research, to attract international staff and students, to partner with industry, and to deliver a strong education.

Still, 'resilience' may seem an odd word to use, when you consider that in the latest QS rankings, published a fortnight ago, Irish universities lost ground again. UCD held its place and NUI Galway climbed slightly. But Ireland still has just one university in the top 100 – Trinity, the university which I'm proud to lead – and it fell ten places to 71. Other Irish universities fell even more places.

But I think the word 'resilience' is apt because, if our universities are sliding, it's not through laziness or lack of dynamism. In fact a number of universities – including Trinity, UCD and UCC - actually slightly improved their scores in the QS rankings. But this didn't translate to an improved position. Why? Because with new and far better funded universities in Asia-Pacific storming ahead, it's no longer enough to slightly improve your score.

Our universities are sliding because we can't compete on funding. On a per academic basis, Trinity's annual budget is 45 percent lower than that of the average top 200 university.

If universities were ranked on budgets – Ireland wouldn't have even one university in the top 300. On that reckoning, the fact that we have four universities in the top 300 is an achievement. We are performing way above our budgets.

This has been going on a long time. Of course, resources became more limited over the past five years, but even before the recession, during the Celtic Tiger years, the total spend on a student in an Irish university was still below the OECD average. So we're looking at decades of Irish universities performing well on tight budgets. The sector certainly can't be accused of splurge or wastage.

If the Irish third level sector performs well, it's because our model for higher education is strong.

****Higher Education Model****

What is this model? Well, I've isolated seven characteristics for it. Many of you here will be familiar with the model, but I think it's worth laying out.

So here are my seven characteristics:

- The sector as a whole is **diverse**. While there may be a tendency to convergence, we do now have a diverse system offering choice to students – choice about what and where to study, and about the outcomes they are looking for in preparing for their careers. Uniformity is not strength, diversity is strength – and we have a model that promotes it, and the system of compacts now in place should promote it further;
- The sector is **competitive** – we compete with each other for staff and research funds – it's not co-ordinated centrally. This is positive; it keeps us 'on our mettle'. Ireland's is an open economy and as higher education is an increasingly borderless activity, so we also need to focus now on being globally competitive.
- We are **collaborative**. We find ever more ways of pooling expertise in research projects and in jointly-run Institutes and Centres. It is now government policy to have 'clustering' arrangements between higher education institutions. Our collaborations are also increasingly international.
- Our model is **research and education-oriented**. Some countries separate higher education into research and innovation institutions on one hand and teaching institutions on the other. We haven't made that mistake, and it is a strength that our institutions focus, to a degree, on both.
- The system respects and defends **academic freedom**, and we academics feel a duty to use this freedom to critique and improve society. We are contributors to civic debate and problem-solving in society. It's a characteristic of innovation economies to have academics who shape society – and by their example imbue students with the importance of critical thinking.
- In keeping with academic freedom, Irish institutions of higher education have **strong and responsible governance**. We accept the challenges of working in a competitive global environment and the importance of consulting with all stakeholders, and we understand the need for accountability and transparency, but equally we take responsibility for setting our own education and research programmes, and for resourcing our universities accordingly. We know that this is intrinsic to academic excellence and global competitiveness.

Unfortunately the past five years in Ireland has seen much over-riding of academic governance, in the form of employment and budget controls. I believe these regulations were a reaction to specific difficulties, and do not represent an ideological shift towards a more 'dirigiste' style of higher education.

The principle of 'good governance' still stands in this country but in practise we haven't been rigorous enough about defending it. According to Edmund Burke: "The true danger is when liberty is nibbled away, for expedience, and by parts." I'm afraid that 'for expedience and by parts' is a good description of the way in which academic governance has been assailed over the past few years. And as ever, I think we should heed Burke! Particularly since 'nibbled away' is putting it mildly!

Apparently, there were similar reactions to the recession in other EU countries. Later this morning, Thomas Estermann of the European Universities Association, will tell us a bit about the situation across Europe. He will be talking about the 'Autonomy Scorecard' which rates countries on the managerial and operative freedom of their universities. The decision, in itself, to implement such a Scorecard shows how critical is autonomy to academic excellence.

- And the final characteristic: higher education in this country is **publicly and privately funded**. This may seem a controversial statement because our institutions of higher education are properly referred to as public sector - the 1997 Universities Act defined universities as 'public bodies'. But the de facto situation is one of public and private funding.

Irish students now pay €2,750 per annum to go to college and that figure keeps creeping up. This isn't called a 'fee', it's called 'a student contribution'. But that's a euphemism, and like all euphemisms it prevents clarity and straight thinking. We should admit openly that in this country we need students to invest in their own education.

On this question of fees, let me say: like everyone in higher education I understand the imperative to bring greater social mobility into the system, and I know that this was a strong motivation behind the abolition of fees in 1995.

Unfortunately abolishing fees did not bring about greater social mobility. According to a 2009 pan-European study, Ireland has particularly low inter-generational educational mobility, one of the lowest in the OECD. This was confirmed last month with the publication of the HEA's paper on equity of access. The results were shocking: school leavers in Dublin 6 are 99 percent likely to go on to third level; for Dublin 17, the figure is 15 percent.

A study by a UCD sociologist, Kevin Denny, has looked at why the abolition of fees didn't result in more equity of access. He found that prior to the abolition, many low income students weren't liable to pay fees anyway since they received a means tested grant. In effect, the reform withdrew the one advantage these students had relative to high income students.

Equity of access is a priority for governments and higher education institutions. It shouldn't be confused with the fees question. We need a many-pronged approach including means-tested grants, access programmes, and working with secondary schools. I know that all of us in the sector look forward to working together on this.

When it comes to funding, student fees are only one plank. Our institutions of higher education are increasingly relying on other sources of private funding, such as commercial revenue, research contracts, and philanthropy. In Trinity, half our budget now comes from non-exchequer private sources. People are often surprised to hear this. But it's part of the resilience, the valour, of Irish higher education institutions that in response to pressure on public coffers we have become ever more proactive about sourcing other revenues. For instance we've been very successful in winning EU research contracts – though we're often up against universities in receipt of much higher State funding.

As creators of commercial revenue, Irish higher education institutions have risen to the great challenge of the age: like other globally competitive universities, they are embracing innovation and entrepreneurship.

****Innovation and Entrepreneurship****

Innovation and entrepreneurship have changed life on our campuses. And to an ever-increasing extent, this is contributing to growing the Irish economy and to improving the way we live now.

Some Irish campus companies have been hugely successful. I think of NUI Galway spin out, Orbsen Therapeutics, which is currently leading a €6 million pan-European project to fight liver disease. And I think of Feed Henry, the software spin-out developed in the Waterford Institute of Technology, which ten days ago was acquired by US multinational, Red Hat, for €63 million.

In Irish higher education institutions, we're creating what we call 'innovation pathways', which facilitate staff and student innovation and entrepreneurship. One such pathway is the Innovation Academy for PhD students, which is jointly run by Trinity, UCD and Queen's Belfast.

These innovation pathways are encouraging commercial thinking on campus, and they are reducing barriers for industry seeking to interact with researchers. This is tremendously important for the Irish economy. It's part of higher education's 'return' to society and to the economy.

* * *

Universities have always served the public good, and the new emphasis on innovation and entrepreneurship is about responding to a shift in the way that people work, and in the way that companies operate and grow. More than ever, graduates across all disciplines have to create their own opportunities and to compete in a global environment.

Working closely with industry and employers to refine and improve higher education is vital. We look forward to the presentations this morning of Gerry Collins of Janssen Pharma, and of Professor Stephanie Fahey, who recently joined Ernst and Young in Australia as lead partner in education after thirty years in academia.

By developing international campuses, with globally competitive research, and with staff who create their own commercial opportunities, universities lead by example. We contribute to the economy and society in the here and now, and we prepare students for a 21st century career.

****Conclusion****

So that's our model of higher education: diverse, competitive, collaborative, research and education-oriented, supportive of academic freedom and good governance, and publicly and privately funded, and with increasing strengths in innovation and entrepreneurship. It's an excellent model, which doesn't need radical overhauling and it explains why we've managed to perform above our budgets all these years.

We don't need to fix our model – and that's a great thing. But all the stakeholders do need to get together to remove any constraints that are preventing the model working as well as it should.

I've touched on some of these constraints – we need to bring good governance back into the system and stop 'nibbling away autonomy, by expedience and by parts'. We need to undertake the measures necessary to bring social mobility into the system. And as an absolute priority we have to put in place a plan for sustainable funding.

At the session after lunch, three experts – Patricia Mangeol from the OECD, public policy consultant in Washington Art Hauptman, and Liesl Elder from Oxford university - will look at international funding trends, and funding models, and at the potential of philanthropy. These experts will report on countries which faced the same dilemma as us.

We are certainly not unique in facing a crisis about how to fund higher education. Other countries have faced this and found workable solutions. We can learn from their example - and from their

mistakes. The solution we put in place will be one tailored to Irish circumstances and requirements.

We will find a solution. Because we don't have a choice. That's a good thing - it means we don't have to waste time wondering if we should just 'sit tight'. If we do nothing, we'll continue to slip down the rankings until we have no universities in the top 300, and we're no longer recognised globally for the quality of our education. Which means we won't attract international staff, students, or research collaborators. It means we will lose competitiveness – our society will be poorer, employers round the world will be less interested in hiring our graduates, and industry will be less interested in investing in our research.

Once we slip into this vicious circle it will be extremely difficult to get out of it, so let's act now, while we still have reputation, and pride, and achievement to trade on.

Thank you.