

122437 75082

European Commission  
Directorate-General for Economic and Financial Affairs

# **Efficiency and effectiveness of public expenditure on tertiary education in the EU**

**Joint Report by the Economic Policy Committee  
(Quality of Public Finances)  
and the Directorate-General for Economic and Financial Affairs**

## Table of contents

Executive summary .....	7
1. Introduction .....	15
2. Lessons from the literature .....	16
2.1. The economic impact of education .....	16
2.1.1. The economic impact of education on the individual .....	18
2.1.2. The impact of education on growth .....	21
2.1.3. The returns to tertiary education on the individual and the society .....	25
2.2. Tertiary education funding .....	30
2.3. Tertiary education governance, efficiency and effectiveness .....	34
2.4. Summary .....	43
3. Main trends and performance in tertiary education .....	46
3.1. Attainment and graduation .....	46
3.2. Performance indicators .....	58
3.3. Quality .....	61
3.4. Funding .....	62
3.5. Summary .....	67
4. Mapping performance with institutions: lessons from country experience .....	68
4.1. The nature of tertiary education systems .....	68
4.2. Governance .....	71
4.2.1. Selection of students .....	71
4.2.2. Staff policy .....	73
4.2.3. Governance structures .....	75
4.3. Funding arrangements .....	75
4.4. Accountability .....	83
4.5. A typology of tertiary education systems .....	88
4.6. Conclusions: mapping performance with institutions .....	90
5. Reform of tertiary education in the EU .....	90
6. Summary and policy conclusions .....	92
7. Statistical annex .....	100
8. References .....	103