

Academic Pay in Western Europe

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In its recent (2011) communication “Supporting Growth and Jobs—an agenda for the Modernisation of Europe’s Higher Education Systems,” the European Commission has once again urged Europe’s universities to reform their human-resources policies—to increase the autonomy of the universities in this respect and to introduce incentives to reward excellence in teaching and research. Europe’s universities will need to recruit academics by flexible, open, and transparent procedures and to provide them with attractive career prospects. Without a committed and adequately compensated professoriate, universities will find it hard to recruit the best and brightest academic talent to work for them and to provide the teaching and research that Europe needs, in order to be a competitive knowledge-driven region.

SALARY LEVELS

When comparing the attractiveness of the academic profession between countries, salaries naturally are the first item to look at. To make meaningful

comparisons, one has to correct for differences in cost of living across countries by using a purchasing power parity (PPP) index.

Based on selected country studies reported in the recently published *Paying the Professoriate: A Global Comparison of Compensation and Contracts* (Altbach, Reisberg, Yudkevich, Androushchak, and Pacheco, eds., 2012) the average salaries for academics have been compared between European countries and the United States. This was done for three levels in the academic hierarchy: the entry level (for example, lecturers and assistant professors), the medium-level (senior lecturers and associate professors), and top level (full professor). It turns out that Europe displays quite a wide variety in academic salaries. Academic payment in the United Kingdom compares relatively well with the United States. While for entry-level positions the UK salaries are lower (US\$4,100 in the United Kingdom versus almost US\$5,000 in the United States), they are higher for the medium and the top-end positions. The average medium-level academic in the United Kingdom receives over US\$5,900, while in the United States this level is over US\$6,100. Full professors in the United Kingdom earn over US\$8,000—US\$1,000 more than in the US universities, after correcting for cost of living differentials. In Germany, salary differences between the three steps on the academic ladder are much smaller than for the United States or the United Kingdom. They range between US\$4,900 and US\$6,400, displaying levels that are similar to those found in Norway. Academics in the Netherlands, on the other hand, earn salaries that in each step of the ladder are about US\$500 less than in the United Kingdom.

French universities are not particularly attractive to foreign professors, due to the national career framework and noncompetitive salaries. On all three levels in the hierarchy, average salaries are some US\$2,500 less than in the United States. Hiring in French universities is very centralized with a national screening of candidates by national councils. Until recently, institutional salary policies were not allowed, but this is changing.

BONUSES AND BENEFITS

A bonus system to reward performance in teaching and research has recently been introduced, alongside laws to increase the autonomy of universities and to introduce more differentiation among academics. Bonuses for good performance now also exist in Germany, although only about 25 percent of all university professors there receive such a bonus.

However, salaries alone do not reflect an accurate picture of academic incomes: academic compensation must be measured in broader terms. There often are fringe benefits and allowances that academics may receive on top of their reference wage. Some of these add-ons are determined collectively—often in collective labor market agreements, such as in the Netherlands—and depend on the academic's family status and national regulations, with respect to pensions, parental leave, and health insurance. Other allowances are determined individually, such as performance bonuses, or—as in the case of German professors—depend on the negotiation skills of individuals.

ACADEMIC CONTRACTS AND POSITIONS

In many countries there is a move toward more fixed-term appointments and a greater number of part-time posts. In Germany, the terms of continuance of contracts are quite strict, and academic staff are routinely forced to leave a position at the end of a contract. For young researchers, the basic principle is “up or out.” Professors are generally civil servants with permanent lifelong positions that they have obtained after receiving habilitation, a formal postdoctoral qualification usually earned after the publication of a major book and a public lecture. Job security and salaries for the other academic staff members, such as lecturers and postdocs, are much less; more than two-thirds are temporary employees with fixed-term contracts. The junior professorship is a new academic category in Germany, created to shorten the time until eligibility for a professorship has been reached, with the intent of abolishing the habilitation. To avoid “inbreeding,” it is a general rule that junior professors need to apply for a position at a different institution, after six years. However, so far, the number of such professorships falls short of the original expectations. The typical way to acquire a professorship, a promotion to a higher position, or to increase one’s salary involves applying for a professorship at a different university. If the application is successful, it is sometimes possible to negotiate salary supplements and additional resources, in order to stay at one’s old university or as a condition for accepting the new position. Due to social insurance and benefits, the income of German academics is quite good, compared to other countries. However, uncertain career prospects make universities appear less attractive employers—especially for young researchers.

Academic Autonomy

Compared to France, universities in the United Kingdom have much more autonomy to appoint whomever they choose and what to pay them. Academics in the United Kingdom do not have civil servant status, unlike in most other European countries. During more than 20 years of continuous marketization, British universities are competing vigorously to attract high-quality academic staff, with better salaries and terms of employment. Each university has different hiring practices, rewards, and promotion criteria. Academic pay and promotions are heavily based on an individual's research productivity, which is assessed regularly. Universities also try to attract leading researchers with nonmonetary rewards—such as equipment and laboratories. Recent years have witnessed a substantial improvement in academic salaries and benefits. However, due to the recent cuts in public funding, the continued affordability of the (quite competitive) UK salaries and benefits has become questionable. The proportion of staff with part-time contracts has increased over the last three years. The ability to secure high-level academics in the future will pose a major challenge to the UK higher education system.

INTERNATIONAL COMPETITION

Like the United Kingdom, the higher education sector in the Netherlands has always attracted academic talent from the rest of the world. This is clearly not just because of attractive salaries and other benefits and rewards but also due to the recognized excellence in research activities and the reputation of a system

open to researchers from all over the world. Academic salaries and other terms of employment in the Dutch higher education system are settled by the universities in negotiations with labor unions that represent academics. The resulting collective labor agreements leave quite some room for individual universities to determine job tasks and tenure criteria, with salary increments increasingly based on an assessment of merit through annual reviews of performance. There is a trend toward more individualized employment contracts. Such “schemes à la carte” help make working conditions in academia more attractive during times where, due to the impending retirement of a large number of senior academics in the years to come, the ability to secure high-level academics will continue to pose a major challenge.

In order for Europe to secure the attractiveness of the academic workplace and to retain talented people (young and old) for its economies, the challenge will be to balance the pay conditions for academics, with a package of nonfinancial rewards—such as facilities for personal development and a reasonable degree of independence in carrying out teaching and research tasks. After all, money is not the only driver of job satisfaction for academics.