

At Europe's largest university, with 150,000 students, classes are held in circus tents because there is no money to repair crumbling lecture halls. And forget the days when a piece of brilliant research might have made headlines. Often a not, news now means the latest scandal involving professors selling grades for sex.

That's life at La Sapienza, the University of Rome. Lest you think it an aberration, visit the Rütli School in Berlin, where more than the walls are crumbling. Located in one of the capitals' poorest Arab-Turkish neighbourhoods, a whooping 83 percent of its students don't speak German as their mother tongue.

As the world rapidly shifts from an economy based on labour and industry to one driven by knowledge and innovation, Europe's education systems aren't keeping pace. Indeed, some seem to be sipping into virtual dysfunction. It's well known that the continent's underfunded and overbureaucratized universities produce too few graduates with often outdated skills – an obvious threat to Europe's prosperity.