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From Here To There: Mileposts in Higher Education

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From Here To There: Mileposts in Higher Education

navreme | publications

Volume 7a

February 2007



The production of this Guide was co-financed by the European Commission's Leonardo Programme (DEQU project, n° 2005-A/05/B/F/PP-158.215).



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Acknowledgements

The contributions to this volume has been written by navreme experts and partner organisations, by faculty and participants of the Salzburg Seminar's Session "Beyond the University: Shifting Demographics in Higher Education", and by partners of the DEQU project (financed by the Leonardo programme of the EU) on "Development of Elements for Quality Assurance within practice oriented Higher Education".

We could not have done this work without the experience, cooperation and exchange with colleagues and participants in our meetings and projects, and the numerous discussions and brainstorms, which helped us build, reflect on, and refine our materials and ideas.

Contributing institutions

navreme knowledge development, Austria



Salzburg Seminar, Austria



We thank Camilla Torna of ICASTIC in Florence (IT) who did the artwork and design:

www.icastic.com.



DEQU Project

“Development of Elements for Quality Assurance within practice oriented Higher Education” (2005-2007)

The project aims at developing elements of quality assurance in selected “key processes” for practice and professional field oriented higher education under the outlines of the Bologna process as well as the Bruges-Copenhagen process. Furthermore DEQU intends to create benchmarks within these elements of quality assurance for practice and professional field oriented higher education, thereby facilitating national and international comparability of the different quality assurance methods. Elements of quality assurance in selected key processes and benchmarks will be defined within the planning and definition phase and tested in the realization phase of the project among project partners. In the realization and implementation phase of the project the results will be compared within, tested by, and validated via a wider range of international associated institutions. DEQU therefore will meet three main “unique selling points”:

- A common focus on quality assurance for selected key processes in practice oriented higher education will be developed
- Quality assurance processes specific to practice-oriented higher education will be developed on a European basis (these benchmarks will lead to a higher degree of international comparability)
- Synergies in quality assurance of VET and HE will be validated in different settings, and harnessed through ongoing exchange and the creation of a practice-oriented network for the exchange of experiences

www.dequ-info.net

Salzburg Seminar

The Salzburg Seminar strives to challenge current and future leaders to develop creative ideas for solving global problems. In supporting this goal, its programs are marked by two distinctive characteristics. First, it identifies and targets leaders and emerging leaders from a broad range of cultures, sectors and academia. Second, it focuses on topics and problems that are relevant and important to people and cultures around the globe. Common to all programs are participants who not only leave with a better understanding of the focus issue but with skills and sensitivities that will enhance their effectiveness in their particular field throughout their lives. Further, Salzburg programs often result in solutions and methodologies that can be readily applied now.

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The worldwide web is used extensively to engage Salzburg faculty, Fellows, alumni, interested experts and opinion leaders in problem definition, review of ideas and articles, and resource sharing. As a result, on-site study programs are developed and designed specifically for this special group of people who already share and affinity for and understanding of the Salzburg Seminar. These efforts are part of the Seminar’s *Salzburg Networks*.

Session 436, “Beyond the University: Shifting Demographics in Higher Education”, was held 07-12 November 2006.

www.salzburgseminar.org *

www.salzburgseminar.org/2007/sessionpages.cfm?GroupID=4025&IDEventTypes=144&IDEvent=1171

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Introduction

Volume 7 of this publication series presents outcomes of some of navreme's recent work in the areas of higher education, evaluation and project management. We admit (rather immodestly) that we consider quite a number of the results of this work worth sharing with a larger audience; Volume 7 has thus been divided into two parts: the first deals (7a) with some of the 'big issues' that are high on the agenda of almost any policy debate about higher education throughout Europe and elsewhere: quality assurance, governance models, the emergence of a growing private sector, demographic trends, alternatives to the traditional paradigm of the university, and, last but not least, scenarios for the future. The part two of this volume (7b) will move from policy to implementation and take a closer look at a number of navreme projects with a particular focus on developments in East and Southeast Europe. Projects often have a fleeting lifespan, but by compiling the evidence from multiple angles and backgrounds, the contours of a larger picture emerges that shows the evolving nature of the education sector and the challenges it faces today.

This first part of Volume 7 presents the mileposts in higher education identified by members of the navreme network and the participants of the Salzburg Seminar session on "Beyond The University: Shifting Demographics in Higher Education" (November 2006). We begin by examining the possible future role of the university, which **Michael Daxner** insists should be dedicated to maintaining a space for society to reflect upon itself. This, however, requires public awareness and appreciation: If society does not recognise and accept the need for science as well as the role of the university as an incubator for social, cultural and ethnic disputes and resolutions, then the university will be unable to fulfil the expectations placed on it. Meanwhile, **Bernd Baumgartl** dons his fortune teller's robes and describes five possible scenarios of what the future European higher education landscape might look like depending on how transnational policy frameworks, notably the Bologna Process, maintain their momentum.

With these two outlooks into the future as supporting "bookends", the pages between them contain articles that signpost the distance "from here to there", from the present to what may be in the offing for higher education in the years to come. **Jochen Fried** suggests that we need a more comprehensive understanding of how universities have developed an intrinsic capacity for organising their work according to external demands and internal values. He argues in favour of a 'strong' notion of governance that goes beyond the formal patterns of decision-making: Governance encompasses the entirety of university life and in fact provides the germane setting for policy-driven agendas such as Bologna, New Public Management, etc. While these may all be important and useful, they remain ineffective and fragmented unless they are rooted in a larger governance context. **Ossi Lindqvist** weighs in on the same topic by pointing out that the Bologna Process is in fact a response to a number of critical concerns, notably the question of the social responsibility of higher education and the roles of external stakeholders. As a result, quality assurance is the core issue at stake in this Process; many countries are moving

toward performance-based funding models and replacing the previous input-based formulas in order to promote an internal “quality culture”.

Quality and quality assurance are the common threads uniting all types of higher education that contribute to the public good of knowledge development and preservation. **Anna Glass** points out that the legal definitions of ‘public’ and ‘private’ in the higher education sector are often misleading and misunderstood. The ownership status of a higher education institution has less impact on the types of good it produces; the kind and quality of education the institution delivers is much more revealing of the institution’s contribution to society or to individuals. **Asha Gupta**, on the other hand, points out that higher education today is not really a public good at all anymore, but a tradable commodity, as its inclusion in the GATS indicates. Public universities remain under national control, yet they are expected to be responsive to international, even global trends. At this interim phase of reform, public universities seem ill equipped to handle the demands of the global society, while private higher education institutions often enjoy greater flexibility to meet stakeholders’ needs in more cost-effective ways. Yet, like Michael Daxner, Asha Gupta sees hope for the university, which she deems still capable of evolution and change; she also expects to see the university persevere, although in modified form in the future.

The second section of Volume 7a, deals with the impact that demographics are likely to have on higher education in the years to come, on several continents. While there can be little doubt that this impact will be profound and pervasive, it has thus far received only sparse attention, let alone focused strategic consideration on a trans-national level. The situation is not entirely dissimilar to what we are experiencing with regard to climate change and global warming: In spite of what amounts to a wealth of information on the imminent and incontrovertible demographic shifts, we remain childishly oblivious of what is in store for us – and many of us prefer to turn away from the truths revealed by the data. The articles in this volume attempt at the very least to lay the groundwork for some initial plans of action by taking stock of the data on demographics and how this will affect society and higher education in various parts of the world.

Megatrends - Quality and Governance

(Has the) University (any) Future? [Michael Daxner]¹

Trivial questions deserve trivial answers. Any time when someone declared the end of the university, reality has proven a different result. The university is surviving crises and lows, as well as achievements and highs, and it has become one of the few institutions of global society that still bear some credibility, at least more than the military, family or religion. Why then ask the same question anew?

We tend to speak of *the* university. The idea has proven to be stronger than the effects of real diversification, and even in serious debates the questions what a real university has to be are not infrequent. And future? It seems that the future has become either an extrapolation of the present into infinite space and time, or set of scenarios which reflect more of our fears and hopes than our options to change the world in order to keep it going. Indeed, has the university a future?

1.

Such a question is usually answered by 'yes, *but*' when debated in intellectual circles. In other words, this means '*not really*'. However, the crises in higher learning systems seem never to stop. Indeed, after a short break, they usually come back with full vigour. Such a dual rhythm explains why universities are institutions characterised by *reform* rather than *change*; reform, in this context, means that their basic structures and functions are constantly being reshaped and altered, but that there is no systemic or structural alternative to challenge the institution itself.

If this hypothesis is accepted, the quest for the future is then reduced to questions of modalities and procedures, of side effects and of costs induced by the continuous reforms that allow for the reproduction of university structures. Such a view seems rather optimistic, in a way, since it is in vivid contrast with the prevailing visions of doom and cataclysms – visions that have become so much of routine thinking that they have little effect on the political decisions that indeed determine the universities' welfare. Whenever complaints over a lost golden age turn systematic, they sound as a plea for returning to the golden 70s of the 20th century – a period when the global expansion of higher education has never received such a boost. Yet, the idea of revitalising the discourse on higher education, and on its key institutional embodiment, the University, suggests that academia may still have a pro-active role in the solution of global problems, after decades of scepticism and distrust have severely damaged the 'progressive' image of science, -

¹ This is an original contribution for the Navreme anthology. The first two paragraphs are inspired by my essay on the future of the university, University of Reykjavik and Magna Charta Observatory, 2005: Is there a Future for the University?

altogether not an unjustified position. The polarisation between aloofness and commitment seems to be over: universities are no longer asked where they were when happened disasters like Seveso, Bhopal or Three Miles Island happened; nor are they questioned on why they permanently mix in societal struggles rather than refrain from 'political' stands. Representing civil society, the community as a whole – with its many problems – has become somewhat a matter of course. Polarisation, however, has moved to a more practical level: can the university teach and train people able to solve problems relevant to the future of mankind – and of its local societies - or will it continue to produce knowledge with little impact, thus consolidating like just another institutional structure of the emerging society of knowledge?

The present discourse on the university crisis represents a highly disturbing - and strange - challenge to common sense as well as to our experience of other institutions' misery. Yet, it would be a mistake to fall back on self-satisfaction by taking for permanent the universities' function as lighthouses of civilisation.

2.

My approach is not entirely new; however, I want to add another drive to a discourse, which is rather flat today. This drive can be expressed by one main thesis. If societies want to develop in a sustainable mode and pace, if they want to survive, they need the University. Capital U, and with all diversification emerging from *the* university. The emphasis is indeed laid on the survival and the recreation of societies in general, and especially of those which are post-war, post-conflict, post-emergence. We all know that education, higher education, and very often research and development are at the core of society building, they are markers of the development of civil societies and they are needed for sustainable state- and nation-building. From an economic point of view, the creation of educated workforce and of a certain level intelligent capacity is critical to society building, from a cultural point of view and under the strategy of continuity and consistent development, higher education is a central hinge by providing intergenerational education (teachers), saving and transformation of knowledge (archive and document), creating new knowledge (research), and symbolic capitals, both social and cultural. The last function is probably the most important, because no other institution has attained such a successful tradition in defining fields of interpretation. In this respect, the university competes with the media, with public opinion, with self-made expertise and rude populist anti-intellectual mind-casting. It has been rather effective in this competition.

3.

Many recent conflicts had been hatched inside academia, like the Kosovo crisis: inclusion in or exclusion from higher education can influence the outbreak of conflicts, the shape a policy takes, and the collective self-image a society is developing. The multiple functions of hinges embedded in universities are probably the element in global civic policy that has been underestimated. This stark sentence is not reduced by the fact that,

of course, the university must not be overloaded by functions and demands for which it is not made or where it is overburdened. I mentioned Kosovo deliberately, because in this case we can study in an exemplary way how my thesis can be explained: It was in the university where the social, ethnical and cultural ruptures in society had been hatched; the university was the incubator both for ideas and exercise of resistance and rebellion, and it provided the resources by which the insurgence could get its vigour and shape; and it was the turf for symbolic tournaments, where the pull and push factors of the upcoming bellicose conflict were trained. In another crisis area we can study how in the university the conflict between residents during a war and the returnees are being exacted in an exemplary way. The future of the university will be in the mode it becomes conscious of this increased and rather responsible role: it has always an actor, however more often than not an apolitical or even absent-minded one; it has never been innocent. What comes from the university, penetrates the diverse discourses and their strategies that for a society. Universities take part in the processes of normalisation and they are the hotbeds of opposition; not as deliberately chosen places of political games and the display of power. Instead, they produce many forms of habitus, not only the academic one, which influence all levels of society.

4.

There are two attacks on the integrity of the university. One is the specialisation according to its market functions. I need not to go into this field; it has been widely discussed at all times inside the higher education community, and between research and politics. The other challenge is its stripping off the political functions and reducing it to mere function of qualification and competences. The apolitical university will bring bad scientific results and even worse citizens. The stability and openness of a society is shown by the way it deals with the permanent challenges coming from the university. To be precise: from all levels of the tertiary sector. A community college, barely above high school level, can change an entire regional structure. The availability of dormitories and student meeting places can shift the social composition of a constituency. The academic freedom to search and investigate topics outside the normalised spectrum of research and to apply new methods can actively contribute to changes in policy, economy and culture of a nation. Ethical problems brought up by the university may gain an authority neither the churches nor the judiciary will attain. This entire means that the universities shall be included as actors into all process of governance and ruling. But in post-war and post-conflict societies, universities shall be included also from the beginning of reconstruction, literally from the moment of ceasefire.

Are there no new roles for the universities in the future? Probably not. There will be only more precisely defined functions beside study, teaching and research. Because any of the functions mentioned above needs a public which is competent to understand the role and impact of science, and the ways to permanently rewrite the textbook of higher education and research. Only if the public is susceptible to this demanding partnership, universities will be able to fulfil the expectations brought to them and to develop an even stronger responsiveness to the needs of the people. It might be necessary that universities devote the bigger sections of their programs to creating the lifelong learning envi-

ronment which in return will create the responsive public. It might well be that universities will take over the operation and functionalising of other institutions which are disabled by the retreat of government and the state. The debate over these aspects will most likely change the composition of disciplines and subject-oriented programs.

Isn't that future enough? Perhaps, future itself will gain new and radiant dimensions through the reform of the universities, a reform, which is always ours as well.

Governance and Higher Education: Concept and Patterns [Jochen Fried]

The Emergence of a Concept

In the past two decades or so, the term 'governance' has had a remarkable career within higher education (HE) circles (and beyond) throughout Europe. The following paper can also be read as an attempt to uncover some of the reasons for the appreciation and recognition which this term now enjoys and which is by no means self-explanatory. On the contrary, it is in some respects a difficult and even an awkward term that defies a straightforward understanding as numerous authors confirm. Peter Scott (2001) writes that 'governance' is "a relatively novel derivation from the root word 'govern' – or, more precisely, it has acquired a new currency and meaning (...) to denote a much broader account of the governing process going beyond the actions of 'governors' and 'governments'. 'Governance' embraces a wider set of actors, it ranges beyond the territory of state institutions into the private and voluntary sectors; and, consequently, it is a more ambiguous and volatile process." (125)

Accordingly, 'governance' encompasses many areas and is used in a broad variety of contexts, for example as corporate governance, governance as New Public Management, good governance, global governance, economic governance, participatory governance, governance as "institutional management/steering" etc. Equally diverse are the definitions of this notion though they all emphasize three main characteristics:

- (a) Governance means regulation, steerage and control ("Steuerung" or "Regelung" in German) within the context of a given (social, political, economic, institutional) order.
- (b) It can be described and analyzed as "a set of practices whereby independent political and/or economic actors coordinate and/or hierarchically control their activities and interactions... Governance structures are therefore formal and informal institutional devices through which political and economic actors organize and manage their interdependencies" (Hirst, Paul, Thompson, Grahame 1997, p. 362).
- (c) These structures ultimately serve to enhance or promote the legitimacy and efficiency of the social system by way of organizing negotiation processes, setting standards, performing allocation functions, monitoring compliance, reducing conflict, and resolving disputes (ibid.)

A useful example to illustrate this complex concept is the emergence of the term '*good governance*' in the public domain: "Since the early 90's, the notion of "good governance" as a necessary prerequisite for sustainable development and poverty reduction has gained widespread currency, especially among international organizations (...). The World Bank was the first major donor institution to adopt the concept of good governance as a condition for lending to developing countries" (Simonis, Udo E. 2004, p. 2f). In this

case the “set of practices” that this concept refers to are of course the interaction and interdependence between donors and recipients. It indicates certain expectations and stipulates a more or less clearly defined code of conduct: Good governance relates to democracy, the rule of law, human rights, decentralization, transparency, accountability, and reducing corruption to ensure maximum effectiveness of international development programs. It is also obvious that in this example the term ‘governance’ carries a *normative* connotation by making universalistic assumptions regarding the applicability of the principles of what merits to be called ‘good governance’. This is further confirmed by the fact that ‘good governance’ has been the theme of a White Paper of the European Commission (2001), and was included as one of the targets of the MDGs, the Millennium Development Goals of the UN – both of which are normative by nature.

These assumptions concerning shared values, however, are first of all postulated by those who have the defining power: They are the values within a predominantly donor-driven discourse about suitable policies to manage and implement development projects according to acceptable rules. No doubt that apart from the donors there are other stakeholders that also subscribe to those values (for example, NGOs in the given recipient countries that might blame their governments for certain ‘leakages’ in processing donor funds). But for the purposes of this paper it is important to keep in mind that along with its descriptive and analytical meaning ‘governance’ has an implicit or explicit normative dimension which is not always acknowledged.

The example also provides a hint to one of the principal influences and underlying rationales that gave rise to the prominence of the notion of governance: In the international donor discourse, insisting on good *governance* is a consequence of the experience of dealing with bad (inept, incompetent, incapable or immoral) or weak *governments*. But also in the industrialized countries, the changing role of the State from the early 80’s onward instigated a search for an enhanced understanding and new models of how public affairs can be run more effectively and efficiently. Prompted by the general waning of trust in the State as the curator and executor of the *volonté générale* as well as the provider and/or guarantor of public welfare, the governance approach presented itself as a remedy both to re-conceptualize and to overhaul those tasks that had traditionally fallen under the authority of the State. In other words: It is the classic government function in public affairs that is challenged by the more recent concept of governance. This juxtaposition is very clearly being expressed in the title of a seminal book called “Governance Without Government: Order and Change in World Politics” edited by James Rosenau and Ernst-Otto Czempiel (1992).

Whether it is being seen as sign of an unfortunate atrophy of the State or as a deliberate devolution of governmental authority, the growing importance of governance is in many aspects closely linked to the neo-liberal reshaping of the public sphere in economy, society and politics. “(...) classic forms of welfare state have been superseded by neo-liberal and entrepreneurial forms, which have required a shift from straightforward notions of democratic ‘government’ to more sinuous notions of stakeholder ‘governance’” (Scott 2001, 126). New networks, forms of cooperation and partnerships are developing at different political levels between the three sectors state, business and civil society.

Traditional forms of (hierarchical) “government” are losing significance; new forms of (horizontal) political regulation are emerging.

The notion of governance refers precisely to a decentralized constitution of the social order with an emphasis on the way in which power and authority relations are structured in different institutions and contexts. As far as public institutions are concerned, governance focuses on the rules and mechanisms by which various stakeholders can influence decisions and hold those in power accountable. In the private sector, the concept of corporate governance is challenging non-transparency and non-accountability not only towards shareholders but the wider public. As for multilateral organizations such as the IMF, the World Bank or the United Nations, they are deeply involved in discussions about global governance prompted, among other reasons, by the demand of greater responsiveness of these organizations towards civil society in its broadest sense.

Universities everywhere have not been exempt from this development. At the heart of the governance debate “are the notions of autonomy and academic freedom, i.e., the new forms of responsibility towards society and of accountability towards stakeholders. (...) In a way, the contract negotiated between universities and society, under particular conditions in the 1970s and based on a certain set of values, is now being renegotiated in the context of wider societal changes” (Felt 2003, 14). The dominant characteristics of these changes is the well-know combination of the increased student demand for higher education, the relative decrease of public expenditure for higher education institutions, diversification of financial resources, a growing national and international competitiveness among universities, the introduction of quality assurance regimes and performance-based allocation of funds, new demands of employers and students towards university education (caused, for example, by the advent of the ‘knowledge economy’) or the shortened cycles of innovation in science and technology, to name just the most prominent factors. These changes are affecting universities throughout Europe and beyond in similar ways though the manner in which individual countries are reacting to them can be rather diverse reflecting different and deeply-rooted histories, political cultures and state/university relationships.

Governance Dimensions

In the most elementary sense, governance is “the formal and informal exercise of authority under laws, policies and rules that articulate the rights and responsibilities of various actors, including the rules by which they interact, so as to help achieve the institution’s academic objectives” (Hirsch/Weber 2001, p. viii). In other words, governance is stating the answers to the fundamental question: Who is in charge, how are the rules applied, and what are the sources of legitimacy for executive decision-making by different actors?

The current changes of governance regimes of higher education systems and institutions (the ‘renegotiation of the contract between university and society’) are often described as a shift from the traditional mode of academic self-government to a new model of managerial self-governance that attempts to re-arrange the internal organization of the university around the idea of a modern service enterprise with its emphasis on more

accountability towards stakeholders, flexibility and responsiveness to market needs and a capacity for developing strategic goals that are attuned to the people that universities are serving. Much of the literature on this topic focuses on the consequences of the introduction of managerial self-governance for teaching and research, often by comparing countries which have already made more progress on the way from an over-regulated central administration to a performance-driven and externally guided model of university governance. What emerges from these analyses are five principal mechanisms of coordination or collective control relevant for the steering of the university sector (cf. Clark 1979, Braun/Merrien 1999, Schimank/Kehm/Enders 1999):

- *External regulation* refers to the authority of the State to lay down the rules under which universities are allowed to operate. It typically consists of a set of strict and binding orders prescribing the institutional behaviour and course of action under given circumstances. There are certain mechanisms of control which monitor adherence to these rules (inspectorates, a bureaucratic apparatus, certification procedures, conditional approval for certain activities and, last but not least, financial incentives or disincentives). Thus, this governance dimension is characterized by the traditional top-down approach of governing public institutions through a formalized set of legal rules and specific regulations.
- *External guidance* can be given by the relevant state authorities (ministry) or be delegated by the State to other actors/stakeholder representatives, for example to members of the university boards. The mode of exercising steering power and coordinated action is not by formal determination but by negotiation and goal-setting (performance contracts are an example of specifying the goals to be reached without prescribing the ways and means of achieving these goals)
- *Academic self-governance* relates to the processes and procedures of building consensus within and among the 'academic tribes' as to the course of action to be taken. The steering, coordination and control of university agendas is largely left to the collegial decision-making in committees or peer-groups which subscribe to the values of egalitarianism and academic meritocracy as their operating principles.
- *Managerial self-governance* emphasises the hierarchical position of the senior leadership and management of an institution (rector/president, deans) in terms of goal-setting and executive decision-making. Their authority is controlled by a system of intra-institutional checks and balances both in the form of written regulations (e.g., the statute of the university) or of publicly stated strategic goals which serve as a yardstick of success, or lack thereof.
- *Competition* has become a governance dimension as the underlying rationale for the coordination of priorities and decision making in higher education on institutional as well as system level. It is the logic of the market which determines action and thereby establishes order. The allocation of scarce resources (financial, staff, infrastructure) is nowadays mostly done on the basis of some form of competitive mechanism which introduces a strong layer of managerialism into the governance discourse.

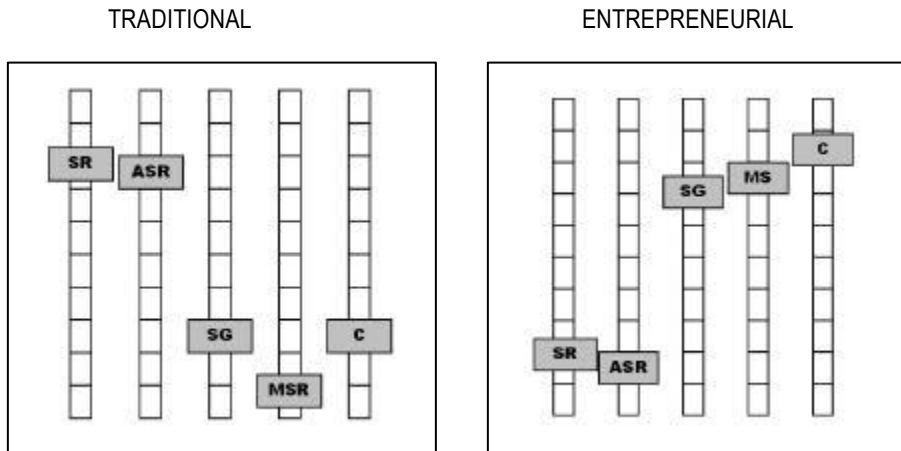
Obviously, these different governance dimensions are abstractions which do not exist in an undiluted or pure manifestation. They are analytical categories to describe what is

basically a 'fuzzy' reality of different and overlapping governance dimensions that have emerged under specific local and historical conditions. But as analytical tools these dimensions can be helpful to cut through the maze and identify trends and developments concerning the evolution of governance patterns from a national and transnational perspective. In a (yet unpublished) article², de Boer, Enders and Schimank presented what they call "the governance equalizer" as "a heuristic tool for the international comparison of highly ambiguous concepts" (the latter referring to their contention that the concepts of governance, new public management and managerialism "have no clear or agreed definition of what they are or should be"). The five dimensions described above represent the different 'frequencies' that are being internally adjusted by the equalizer, a device to reduce distortion in a (sound) system. The model implies that the input into the system, i.e., the different governance dimensions, can be scaled along the levels of low and high and that governance regimes in general are always mixtures or specific combinations of all five principal mechanisms of coordination and collective control. "All five dimensions co-exist, though in a certain period one or more dimensions may predominate, or may be seen as the striking feature of an epoch. Thus, we assume that a mode of governance is made up of several dimensions that are combined in empirical situations." (5)

To illustrate this tool, here is the example of the traditional modes of governance as depicted by the governance equalizer as well as the 'entrepreneurial' type:

² Orchestrating Creative Minds. The Governance of Higher Education and Research in Four Countries Compared (2005)

Figure 1: Example of the governance equalizer



SR = State Regulation, ASR = Academic self-regulation, SG = Stakeholder Guidance, MSR = Managerial self-regulation, C = Competition
 From : De Boers, Enders and Schimank (2005), *Orchestrating Creative Minds*

The discernible advantage of this model is that it avoids simplification by presenting governance arrangements as multi-dimensional configurations of contributing voices, tones and reverberations (and maybe sometimes also chatter and burbles) rather than a one-dimensional 'either-or'. For example, the much debated shift from a state control system to a state supervised system of higher education in most West European countries during the past two decades or so (in the terminology of the equalizer model: from "state regulation" to "stakeholder guidance") is not necessarily equivalent to a 'withdrawal of the state' but can also be read and described as a change of emphasis in the way that an actor pursues the goal of optimizing the governance provisions (of exercising authority); in this case by attenuating the power of command from the top (because increasingly complex systems such as universities cannot efficiently be ruled top-down) and amplifying the forces of coordination, negotiation and ruling from a distance.

This also responds to an obvious objection against the equalizer model, namely that it suggests an 'invisible hand' which operates/manipulates this device to produce a sound governance system. The authors of the model avow themselves to a "state-centric approach" in the sense "that the composition of the dimensions of the equalizer always reflect a substantial contribution of the state"(p.7). They exemplify their view by pointing to the 'audit culture' which has entered the scene of higher education governance concurrently with the new and supposedly deregulated mode of operation. The rhetoric is one of greater efficiency, increased autonomy, ownership and accountability. However, the execution of the audit and evaluation systems is more often than not meticulously prescribed by national governments or their subsidiary agencies which in the equalizer model would count as 'state regulation' under the guise of external guidance. The exploration of the constituting elements of governance systems will now turn to the exiting

modes and emerging patterns for ensuring coordination and participation in the steering of a university.

Modes and Patterns of Governance

University governance is commonly understood as a set of laws, regulations, structures, norms and practices that constitute the framework for an institution to pursue its goals, objectives and policies in a coherent and coordinated manner. As we see in current practice, under conditions of increased complexity and uncertainty, governance is not so much a static formula which could be applied regardless of context and circumstances, but the product of an interrelation among different actors who occupy certain (more or less distinctly defined) structural positions that allow them to influence decision-making according to their notion of what serves best their legitimate selfinterest as well as the broader institutional purposes. In other words: Governance, as opposed to mere (self) administration, nowadays implies a dynamic concept of university autonomy – a concept that sees the meaning of autonomy in a state of flux and as constantly being shaped and reshaped by adopting or declining the various options for institutional development put forward by different constituencies and stakeholders.

The following section reviews the main (economic, ideological, pragmatic) motives underlying the changes in governance provisions in recent years from the traditional state-centred arrangements to a more decentralized and self-managed mode of planning and decision-making. The focus is on the main interfaces of governance interaction where university autonomy is being articulated (verbalized/asserted and jointed/fitted together).

Government – University: Ensuring Legitimacy

The dilemma at the interface between governments and universities is a functional one which must be addressed as a political challenge in order to stimulate the search for solutions and thus effect changes in the governance system of higher education. In continental Europe, the state traditionally has a strong influence on matters related to education including higher education. The central authority of the state was manifested in the existence of rather extensive laws regulating and controlling vital aspects of university management like personnel, budget and finances, organizational structure, access to higher education or number of students per unit (department, faculty, individual universities), and leaving little room for manoeuvre in terms of specific governance arrangements and independent decision-making. The extent of this regulation was reflecting both the legal status of universities as a statutory body subject to public law and their almost complete dependence on state financing.

For very good reasons, universities have been described as slowly developing systems (see Daxner 1999). Rapid changes in the exterior environment can take long before they become part of the fabric of an institution which is not always a sign for a lack of adaptability but can also reflect “how the different political traditions and histories have an impact on the way university-State relations are shaped”(Felt 2003, 38).

More recently, there have been substantial changes in the way governments are discharging their public sector services to the general population prompted by the need for

more efficiency and effectiveness in service provisions. In higher education, the shift from state control to state supervision which has been described earlier resulted in the devolution of authority into the hands of the top leadership of the university which was given enhanced responsibilities in particular regarding budget and personnel matters, e.g., by the introduction of global or lump-sum budgets and the delegation of supervisory authority over university employees. However, the state is not simply 'giving up' its privilege of controlling the sector - in legal terms universities in most cases remained a subordinate part of the state administration - but rather is replacing the old centralized and input-oriented steering mechanisms by new modes of regulating and monitoring the sector with an emphasis on evaluation, accountability and indicator-based performance 'contracts' (ex-post instead of ex-ante control) while leaving it to the university and its sub-units how to accomplish these stated objectives.

Despite the rhetoric or reality of New Public Management and other approaches to enhance the organizational effectiveness (and the undeniable advantages in terms of less bureaucratic rule and a more distributed decision-making structure), this arrangement does not solve, but rather re-articulate the principal governance dilemma between the prerogative of the state to define the general goals and policy frameworks of higher education and the special institutional character of universities as autonomous actors. Governments can legitimately expect from universities to live up to certain political objectives, e.g., to increase the output of graduates and ensure their employability, to contribute to the growth of the national economy or to compete on an international scale for the best students and scholars. Conversely, universities are equally right to emphasize that they are neither following political orders, nor can they readily adopt the general principles of the business sector (market, competition, profit orientation) because of the special nature of academic work with its multiplicity of purposes (education, knowledge production, dissemination and preservation, service orientation) and a certain 'open-endedness' which is not compatible to the standard criteria of efficiency in the business world.

As the case of Austria³ shows, the interface between government and universities remains a contested territory of higher education governance, especially in those countries

3 The example of Austria provides a suitable illustration which attracts attention beyond the national boundaries and especially in the neighboring countries of East and Southeast Europe where the process of university reform has slowed down and in some instances even has halted because the next step in the relations between state and university has been deferred. In 1993, a new University Organisation Act was passed in Austria replacing its predecessor of 1975 which was a model case of the "group university" type of governance. The new Act introduced elements of autonomy in matters of organization and finance and laid the groundworks for the development of universities from lightly reigned state institutions to independently managed public entities, whereby the cumbersome decision-making structures of the group university were curtailed in favor of a more professional approach to strategic management involving all relevant constituencies of the university.

About half-way into the ten year implementation period for this Act, in 1998, the ministry in charge of higher education presented a discussion paper on a new law that would grant "full legal capacity" to universities. The initiative for this paper came mainly from the offices of rectors who thought that the 1993 Act fell short on a crucial element of full autonomy: the right of a university to act entirely on its own account and to allocate its budget without the existing legal and cameralistic constraints imposed by the ministry (while observing the customary procedures for public entities ensuring transparency and accountability in all financial matters). This initiative was taken up by the new center-right government which came into office in 2000 and which, at least verbally, was intent on a far-reaching reform of the public sector, i.e. the standard formula of reforming the state apparatus inspired by the recipes and ideologies of the "New Economy". All the well-known catchwords of the latest reforms in public sector governance – increased efficiency, effectiveness and quality of service; decentralized management; the creation of competitive environments and the use of market instruments within the public sector organizations; flexibility and accountability for results – can also be found in the statements of the government, special emphasis was put on the aspect of international competitiveness to advance Austria to the top of governance reforms in higher education in Europe. The University Organisation and Studies Act was passed by the education and science minister in 2002.

The changes that this Act introduced merit indeed the term 'radical': Apart from (and complementary to) full legal capacity universities were granted global budgets, organizational autonomy, new employment regulations for academic staff (no civil service status any more for newly employed staff) and clearance for a de-bureaucratization of the university administration. In exchange for endowing the university leadership with a whole set of new governance tools and with the executive power to use them, universities were expected

where a tradition of strong state control intersects with the latest adoption of private sector management concepts to public sector institutions. It would be too easy to blame universities of inertia in emulating these concepts more readily and in a proactive manner. The transformation of Austrian higher education which was heralded by the 2002 University Act seems like taken from a textbook of the New Public Management persuasion. Its two corner pillars are: on the one hand, decentralization of tasks, decision-making power and responsibilities up to the point where administrative units are being outsourced and given an independent legal status; on the other hand, retaining of steering capacity over the sector in the hands of those who are politically in charge by means of agreed-upon performance indicators and output contracts.

Considering these far-reaching changes in Austria, one of the interesting question is: What happens to the State as the former prime source of legitimacy? In an article by Lothar Zechlin (2002) provocatively titled "No Public Management. Austrian Politics Bows Out of Strategic Steering of Its Universities" the author contends that the political and administrative ranks are utterly unprepared to assume their new role of providing sound and consistent guidance and strategic orientation regarding the longer-term goals and directions in national higher education and science policies. Instead, they seem to concentrate their expectations regarding the positive impact of the reform on the "How" (the enhancement of efficiency and effectiveness by virtue of applying a New Public Management approach) while leaving it to the newly established university councils to voice the demands and viewpoints of the external environment as far as the "What" is concerned, i.e. the definition of the goals and objectives of a given institution. This, however, shifts the responsibility for the *public* policy dimension of governance away from the respective government branches which are accountable to the parliament, into the hands of the 'external experts' in the university councils who perform the controlling and steering function and are not accountable to anybody except their own best judgment (in Austria, half of the founding members of the councils were nominated by the senate, the other half by the federal ministry).

For Zechlin, this withdrawal of the State from the strategic steering of universities creates a dangerous void which is filled by private - in the sense of not publicly answerable - interests. If one looks at the composition of the university councils his criticism seems warranted: from a total of roughly 140 members of Austrian university councils close to 40% were recruited from the business sector and about 30% from the broader university sector; the rest mainly have a civil service background whereas there is only very scarce representation of social interest groups, cultural or religious areas (see Meister-Scheytt

to agree to a corresponding set of accountability measures, namely performance contracts over several years, regular evaluations, the definition of a distinct profile by each university, more competition among universities for public funds, and the introduction of boards of trustees (University Council/Universitätsrat). In order to underscore its stern determination to open an entirely new chapter in the history of Austrian higher education, and to fill the strapped coffer of the education ministry with money to finance the reform, tuition fees of about EUR 725 annually were introduced virtually overnight in late 2001.

The key transaction that took place at the State/university interface was the introduction of a new 'currency' to ensure the legitimacy of university operations. Whereas in the past the State as a sovereign power and legal 'owner' of the institution guaranteed due process and quality, this responsibility has now been delegated to a variety of actors, notably to the board of trustees, the top leadership of the institution, but also to agencies and processes that serve as independent supervisory sources of accountability and thus legitimacy like national accreditation agencies, quality assurance mechanisms, performance contracts, funding councils, intermediary bodies (the newly established Austrian Science Council). In other words: Parallel to the diversification of revenue sources as a means to ensure financial viability universities now also have to master the diversification of sources of legitimacy which becomes a main management task and requires a cadre of highly skilled specialists within the institutional administration as well as the investment of a not inconsiderable amount of resources (time, money). A new governance equilibrium is on the horizon, certainly a new way of establishing 'legitimacy through process' (Luhmann), though not necessarily a less intricate and bureaucratic one compared to the past, as the example in some countries like the UK shows which started this process earlier.

and Laske, 2004). There was also some debate about political clientelism and patronage during the first round of appointments adding to the concerns of those who worry about a 'creeping privatization' of Austrian universities. After all, even after the transformation it is still meant to be a *public* management and not a sell-out of the state (cf. Zechlin 2004).

Only time will tell whether these concerns are justified. Countries which have more experience in involving lay participation in the governance of an institution can perhaps offer advice how to meet such uneasiness. The UK may again serve as an example where recently a comprehensive compendium for governors was published by the Committee of University Chairmen ("Guide for Members of Higher Education Governing Bodies in the UK. Governance Code of Practice and General Principles, 2004) spelling out in unambiguous terms what are the written and unwritten rules of conduct for members of such bodies.

One is tempted to quote Foucault: "The contact point, where the individuals are driven by others is tied to the way they conduct themselves, and this is what we can call, I think, government. Governing people, in the broad meaning of the word, is not a way to force people to do what the governor wants; it is always a versatile equilibrium, with complementarity and conflicts between techniques which assure coercion and process through which the self is constructed or modified by himself" (Foucault 2004).

Unlike other public institutions it is an inherent characteristic of universities that they govern themselves for a very urgent purpose which is directly related to the fundamental mission of the institution: allowing the mind to explore its limits, examining and critiquing the common wisdom and the inherited truths, accepting no other authority than the power of reasoning. The conditions under which universities carry out their mission have changed quite dramatically in recent times. But governments would be well advised not to question the value of strong and inclusive self-governance at public universities by pushing them to adopt means that are unfitting for their purpose.

Management – Academic Self-Governance: Negotiating Effectiveness

In many countries, legislative changes during the past decade or so have led to a reorganisation of universities which by and large follows the rhetoric and the prescription of the new European paradigm of the 'entrepreneurial university' (Clark 1998) which includes: diversified funding base; strengthened steering core; expanded developmental periphery; stimulated academic heartland; and integrated entrepreneurial culture. The first wave of these changes mainly affected the central level of the institution and focused on the broadening and strengthening of the power and authority of top management. Within certain parameters, it was then left to the institutions themselves how to adapt their internal academic structure and governance to live up to this entrepreneurial spirit. Thus, the interface between the central node of steering and the decentralized units has become the scene of lively encounter between different interpretations of the new governance model.

In Sweden, for example, a comprehensive deregulation was introduced some time ago and many tasks and responsibilities were turned over from the government to the universities (S. Nickel 2004). Within the institution, this brought about a significant shift in the relation between central level administration (rectorate, board of trustees) and the decentral units (faculties, institutes, schools). "The spontaneous interpretation among the ma-

majority of academic staff members to the decentralization was that the devolution of authority to the institutions was to be followed by a similar devolution within the institutions" (Askling 2003, 166). As a consequence, the faculties acquired more independence. Each unit got its own administration and deans occasionally took over tasks that traditionally fell under the authority of the rectorate. Parallel to the strengthening of the decentral level, however, the power of the rectorate and the board of trustees was also expanded. The result was "a federal model of institutional governance" (Askling 2003, 167), though the balance of power was very unstable and frictions in the relation between deans and rectorates grew: Who actually has a say about what, and who is to listen?

Another sticking point is the question which size and composition of the subunits is befitting an entrepreneurial type of university. Some universities have drastically reduced the number of faculties and established larger conglomerates of departments arguing that this kind of pooling facilitates interdisciplinary or even transdisciplinary cooperation and creates synergies which will stimulate both the production of new knowledge and the adaptation of existing knowledge to solving practical problems. Other universities took the opposite view and expanded the number of units considerably explaining that smaller groups are more nimble and flexible, easier to manage and control, and therefore more likely to maximize their performance.

Equally inconclusive is the current debate about the adequate role of the deans. Should they be elected or appointed 'from above' (by the rector as the CEO of the university)? Do they act as a temporary 'first among equals' or are they faculty managers endowed with executive power in the allocation of resources or in personnel matters? Traditionally the dean has been in a coordinating role representing the specific interests of the faculty vis-à-vis the university community as a whole, a role which offers only limited room for maneuver of his/her own because all decisions require consensual agreement by the faculty peers. New steering tools like performance agreements between the rectorate and the faculties now enable the university centre to take directly influence in the work program and the resource base of the organizational units and hold the deans accountable to the rector's office which potentially erodes the collegial style of self-governance at faculty level.

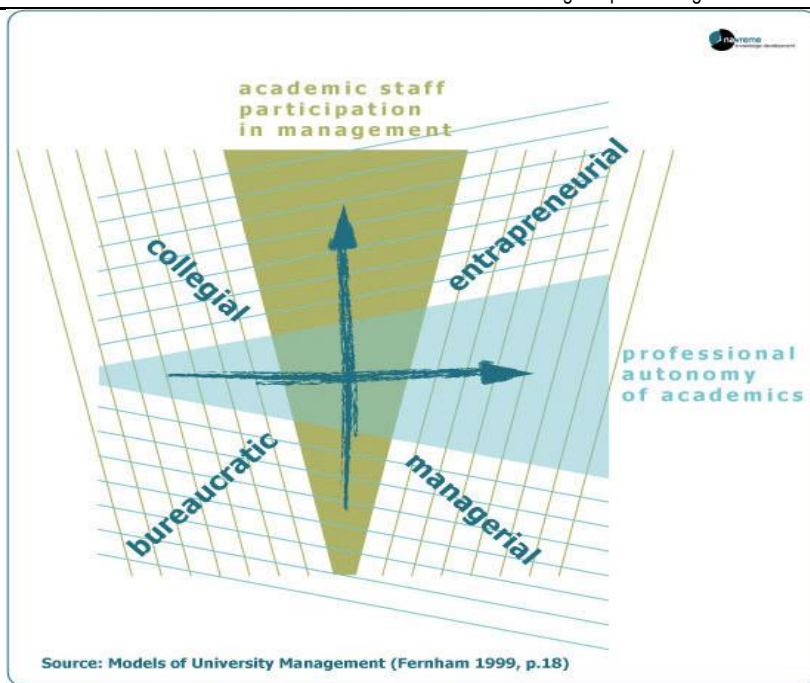
Another example of a difficult relationship between centre and constituent units: In some countries in Southeast Europe academic faculties are still enjoying legal independence as an inheritance of an older and in many respects outdated governance system. The universities are literally a confederation of sovereign entities governed by the principle on non-interference into internal affairs, not unlike most international organisations and alliances among nation-states. Faculties have their own budget, income and bank account, enrol their own students, employ their own staff, design their own study programmes and curricula, and manage their own matters. In the countries that used to belong to Yugoslavia, this arrangement was introduced as part of the general political and constitutional system of worker self-administration in all spheres of social and economic life which some observers interpreted as a deliberate weakening of the central control in favour of more democracy from below, whereas others saw it as a strategy of "divide et impera" from above.

The legal independence of faculties was also a transitory, though very indicative phenomenon in other countries of Central and Eastern Europe, like in the Czech Republic

and in Slovakia, right after the collapse of communism when new higher education laws were passed that sought to foster academic freedom by freeing faculties from direct university control which in the past was synonymous with the firm grip of state centralization. But it soon became apparent that the division of faculty and management had a dysfunctional effect on the development of the universities as a whole and caused serious disparities among the faculties. Needless to say that the power vacuum in the centre limited the possibilities of rectors and their teams to influence, let alone steer the comprehensive reforms that were needed to adapt their institutions to the rapidly changing external environment. Their only tool was the power of words and of the better argument which more often than not was met with scepticism and refusal by the group of sovereign deans protecting what they saw as being in the best interest of their faculties. It was the pressure from the outside that helped change the legal framework in some countries – governments keen to improve the effectiveness of their higher education system, but also the Bologna Process which requires a more integral approach to institutional governance; other countries, however, are still struggling with the anomaly of the legal independence of faculties.⁴

The examples show that the nexus between central level and subunits is crucial to the larger question of where the university is heading as an institution. It is here where governance as a set of formal rules and procedures encounters the different 'governmentalities' which are ingrained in the academic cultures and which go together with certain characteristic habits, attitudes and behaviors. The following diagram gives a schematic overview of the most common (historical, systematic) approaches to academic staff participation in the governance process as they are described in the relevant literature. They are, of course, an abstraction – university governance is always multi-dimensional and never just a monoculture.

⁴ More as a side remark it should be mentioned that the two leading universities in Europe, Oxford and Cambridge, also adhere to a highly decentralized governance model which is rooted in the old college system. Most observers think that these universities are able to preserve their world-class status not so much because, but despite this traditional model of institutional governance. As a recent article in the Economist shows, this model is currently being challenged: "If you were starting to build a world-class university from scratch, you probably would not choose Oxford as your model. The university is essentially a collection of medieval monasteries run like a workers' co-operative. It includes 39 colleges of wildly different size, wealth and quality. Each operates independently, sometimes extravagantly so. Most dons, as Oxford and Cambridge academics are called, are paid partly by colleges and partly by the university. Colleges and academic departments work in parallel. Management is by committee. Ultimate power rests with a dons' parliament, the 3,552-member Congregation. Picturesque relics of English history are more fun to observe than to run, as John Hood, who took over in October as Oxford's vice-chancellor, has discovered. Decision-making at Oxford is piecemeal and takes ages. Although some teaching and research is awesomely good, quite a lot isn't. Some of the colleges are massively rich, some virtually bankrupt. Oxford is still the fifth-best university in the world, according to one recent study, and the eighth according to another, but Mr Hood believes that unless the way it is managed changes, it will slide down the rankings. The government has also been urging Oxford (and Cambridge, which has a similar structure) to modernise. Mr Hood's two big proposals have each sparked big rows. The first is to centralise decision-making. A board of external trustees would set the university's overall budget; under them would be a single management body in which the heads of colleges would be in a minority. The second is to change the way in which dons' work is managed. The colleges, which do most of the teaching, assess their dons one way. Departments, where most of the research happens, have another. Both systems are informal and patchy. Good results rarely mean higher pay, nor do bad ones tend to hurt. Mr Hood wants to link pay and performance. Outside Oxford, these changes might seem mild and sensible, but things look different from inside the university. Opposition to Mr Hood's first proposal has been huge." (Britain's oldest university wrestles with modernization, The Economist, May 19th 2005.



As the literature also shows, the managerial/entrepreneurial turn in higher education has divided the academic community in two camps whereby not surprisingly the advocates often hold positions within the central unit of the university and the critics raise their concerns from the vantage point of the subunits. Both sides argue about the desirable or undesirable impact that this turn has on the organisational structure of the institution. But as an astute analyst of these structures remarks: "It is indeed difficult to address the university as an organisation because strictly speaking the university does not exist; it rather is a loose association of individual institutes and still has to learn to recognize itself as an organisation" (Pellert 1999, 71 – my translation, J.F.).

Against the background of the time-honored relative autonomy of the decentral units, the shift towards central steering authority at the top in the interest of the university as a whole (or "as an organisation") is prompting counter-reactions as one would expect it in other types of organisations as well. However, in universities these reactions are of a more fundamental nature since they raise the question to what degree, if at all, scholarly production can be subject to steering, or whether it is, as has often been said, something that defies planning and calculation. While this may be a merely philosophical question, it is true that at least as far as research and development are concerned, increases in productivity cannot simply be ordered from above. The new steering instruments can help to create favourable conditions but it is ultimately the individual scholar or the team of scholars who succeed or fail. And not only this: professors and other staff are also protected against 'outside interference' in the content aspects of their teaching and research by the legal guarantee of academic freedom. All of this relativises the notion of a central steering authority.

This may sound trivial but it has implications for the new kind of executive power of the top university leadership and its 'will to manage'. Since it is responsible for the overall performance of the institution, it must strive to extend its influence into the subunits. The leverage of doing so, however, is limited because the character and the quality of work in knowledge and expert organizations is to a large degree a matter of personal commitment and self-interest on the part of the staff involved which is why universities traditionally are characterized by flat hierarchies, strong decentralized units (disciplines, departments and faculties) and a comparatively weak tip of the organization (see Nickel 2004, 95). In an environment like this, it would be illusionary to assume that top-down management models from the business sector can be simply replicated. The formal decision-making power of the university leadership will effect to little or nothing unless the faculties and departments 'buy in' and are won over by the strategies and policies that are put forward from the top and that hold some realistic promise for a positive development of the institution or for financial incentives to the subunit.

Through the centuries, universities developed an organizational matrix which shows many features of what is today known as network organization: semi-autonomous and loosely coupled units with permeable borders to allow for interaction, exchange and cross-fertilisation, and with lateral links and connections like a rhizome. The growth and reconfiguration of these units is a result of the functional differentiation of knowledge areas which in turn reflects the enormous proliferation of knowledge itself that we experience as a defining quality of our societies. Network organizations provide space for complexity, i.e. for growth by way of differentiation, without the need to restructure the entire architecture of the system in order to create this space. The integration into the system follows the horizontal lines of interlinking through discourse, shared professional interests and mutually beneficial cooperation, and not through vertical (hierarchical) addition to a predetermined order. The key advantage of loosely coupled systems (see Weick 1976) for an organization such as the university lies in its fault tolerance: The lack of adequate performance or the failure of one semi-independent unit does not debilitate the entire system. For the survival of an institution whose inner logic of knowledge expansion is built on the criterion of falsifiability, and which constantly must adapt its operations to changing external environments, fault tolerance and the provision of space for independent work is absolutely vital.

Accordingly, governance structures at the interface between university center and subunits must be supportive of the self-steering capacity of faculties, departments, schools, research groups and projects. The challenges to network governance are considerable, perhaps comparable to the art of conducting an orchestra playing a symphony *in status nascendi*. The new executive power that is put into the hands of the top management of an entrepreneurial university must be prudently used to create the conditions and to define the rules under which network units and entrepreneurs can excel, and unproductive or non-adaptable units can fail. Lateral steering which supports the evolution of transparent mechanisms of self-control and accountability is consistent with the dynamics of knowledge expansion whereas a top-down governance approach will inevitably increase the tension between centralization and decentralization.

University – Civil Society: Demonstrating Relevance and Responsiveness

In Europe, the relationship between universities and the surrounding society has never been a smooth and easy one. In part, this has to do with the fact that for the longest time universities have been instruments for the self-reproduction of social elites and were thus somewhat distant to the broader concerns of society. Another reason is the traditional dominance of the State as the custodian, sponsor and legal 'owner' of higher education institutions including the power to make use of universities as vehicles of government determined priorities which are not necessarily congruent with those of society. Two forces had a counterbalancing effect: the advent of mass democracy and of steadily growing access to higher education of less privileged segments of the population ('massification') on the one hand, and the more recent retreat of the State from direct control and intervention resulting in more freedom for universities to determine their future and to establish their own priorities on the other hand. Have these developments opened the door for universities in a way that they are now more susceptible and responsive to engage with society instead of serving State or class interest?

Questions like this one have fuelled many ideological debates in past years and decades. They are, by and large, of a theoretical or normative nature for as long as they refer to an abstract model of the purpose of higher education rather than to the policies and practices which are guiding the actual activities of universities with regard to teaching, research and service to the community. If universities are to foster the values of democratic citizenship and the commitment to social development and justice, their first measure of achievement must be how they incorporate these goals in the fabric of the institution.

In Europe, the most common way of articulating engagement including active involvement in larger societal concerns is through the participation of the various constituencies in university governance (which is different from the USA where the notion and the practice of democratic citizenship on campus and outside is more based on a communitarian tradition – see the Council of Europe's pilot project on "The University as Site of Citizenship" and especially the articles by Plantan 2004 and Daxner 2005). The main focus here is on participative management ("Mitbestimmung") and on internal democratization. The university is seen as belonging to the public sphere and its 'inhabitants' are asserting their rights as citizens by claiming their voices to be heard in collective decision-making. The modes and modalities by which the principle of participative management is employed differ considerably from country to country.

Germany, for example, has a highly formalized system of involvement in decision-making which still bears the marks of the group university and its rather intricate structures and procedures of shared governance. In this particular case the group university can be historically interpreted as a reaction against the anti-democratic stance of the old oligarchic "Ordinarienuniversität" ('university of the full-professors') which claimed a Humboldtian type of institutional autonomy for itself but was utterly unable to protect the democracy of the Weimar Republic of the 1920's, or at least to mobilize more resistance, against the assault on political and academic freedoms by the totalitarian Nazi regime. The lessons that were drawn from this experience in the late 60's indicate a deeply sceptical position towards formal autonomy as an excuse for political inactivity disguised as 'neutrality', academic 'impartiality' or intellectual superiority over those who blindly follow

deceitful ideologies. Therefore, the impetus for demanding participatory management in German universities was to a high degree politically motivated as a means of controlling institutional power and strengthening the democratic foundations and vibrancy of the institution. This concern articulated itself in three major objectives (Daxner 2005): the demand to grant a “political mandate” to the university, i.e. to those involved in university governance and representing the various groups within the institution (meaning that self-governance is not strictly limited to self-management but implies a fundamental responsibility to promote civic engagement on all levels of society); the legal and statutory inclusion of the student group in university governance; and the hope and expectation to contribute to the democratic advancement of society by taking the criterion of ‘soci(et)al relevance’ as the ultimate measure of accountability for what is taught and researched at universities (and what professors have to substantiate).

The fate of the emphatically democratic reform movement of the late 60’s is well known: It got more or less bogged down in the day-to-day routine of university administration and in struggling to solve the equation between constantly growing student numbers, and the relative decline of financial resources to address this growth, i.e. the efficiency equation which led to the more market-driven approach to higher education including its definition of socio-economic relevance and responsiveness.

But the German experience offers some interesting analogies to the post-1989 situation in the countries that escaped state socialism. On the whole, universities did not play a very prominent role in the toppling of the old political system although many of the activists of the peaceful revolutions belonged to the academia and the first democratically elected governments included an extraordinary high proportion of scholars. It also seems fair to say that during the first fifteen years of transformation the universities in East and Southeast Europe were not seen as a driving force of democratization, or only in an indirect sense in that they educate the future generation of managers, politicians or civil servants who will be in positions of responsibility. Beyond their immediate concerns – teaching and research – universities were generally reluctant to adopt a more proactive role in the public arena⁵ and preferred a position of ‘neutrality’ (e.g., by barring political student organizations from campus). This is not to deny that these universities have undergone extensive reforms and demonstrated a remarkable degree of adaptability to the changing external (political, economic, social) conditions. But what seems missing, at least to the outside observer, is a more fundamental consideration of the social and civic responsibilities of the university including a discussion of the role that universities have played in the past as an integral part of an undemocratic system - not so much as a way of reckoning with individual misconduct or misuse of power but as a reaffirmation of academic integrity after decades of ideological heteronomy. Failing to do so can give rise to the suspicion that universities are willing to serve many masters – a suspicion that in fact was one of the factors that prompted the student movement of the mid- to late 60’s and that could at some point provoke a similar reaction in East and Southeast Europe. The developments in Serbia, Georgia and the Ukraine where students were in the frontline of the successful removal of oppressive political regimes are a promising sign that universi-

⁵ With some notable exceptions like the Babes-Bolyai University in Cluj, Romania, with its study programmes in three languages which serves a place of integration of the three main ethnic groups in the region.

ties are fertile grounds for strong and spirited democratic forces and for active citizenship, even if as institutions they have remained under strict government control.

Today, the debate about the contribution of higher education and research to “society at large” not only in Europe focuses mainly on the stakeholder concept with a strong emphasis on the economy and industry. There are a number of forceful steering devices that are pushing universities in this direction: Collaboration between university and industry researchers is a precondition for many of the EU-funded programmes, and the same is true on the national level; governments use the degree and the intensity of cooperation with industry as an indicator for the evaluation of university activities (and as a criterion for the allocation of financial resources); private companies are encouraged, e.g. through tax incentives, to invest into partnerships with higher education institutions by setting up joint units or institutes; along the same lines, university researchers can get special funds to establish start-up companies or to have patents registered that promise profit both for the researcher and the university; close ties to the business sector also serve as a motivation to attract the best or the most solvent students to a university.

The economic paradigm combined with the forces of competition play an increasingly dominant part in the steering of universities and in the way they are accounting for their contribution to the advancement of the larger society. Since knowledge and knowledge-related technologies are an essential asset in almost every area of working-life, universities have become universally important and a “much larger group of users is now making claims on them” (Marginson, Considine 2000, 8). For many, the “enterprise university” (ibid) represents the future, whereas others perceive the ‘corporatisation’ and the commodification of knowledge as a serious narrowing of the scope of interaction between the university and society and thus of the identity of the university. It is a genuine task for the governance of an institution to address these concerns because governance mediates the expanding relationships between the ‘internal’ and the ‘external’ dimensions including those with business and industry. By doing so, it also shapes and re-shapes the values that an institution is adhering to or that it chooses to embrace. These values have been put to the test by the stakeholder concept.

Michael Daxner (2005) compares what he calls the “stakeholder ideology” with the broader and more comprehensive notion of “ownership” which has wide currency especially in the United States to characterize the interrelation between universities or colleges and the public. Ownership as a general principal in public policy matters has its roots in liberal and communitarian thoughts and theories and has a definite devolutionary and state-sceptical stance. **An ownership society** values responsibility, liberty, and property instead of dependence from government handouts and tutelage by state authorities. Thus, making individuals ‘owners’ means empowering them to be in control of their own lives and destinies. In the ownership society, patients control their own health care, parents control their own children’s education, and workers control their retirement savings. It is obvious that these ideas have far-reaching implications for the governance of public institutions including those in higher education.

According to Daxner, ownership is based on a reciprocal understanding of belonging: ‘something belongs to me’ and ‘I belong to something’ are closely interwoven. The participatory ownership rights that are granted to me by belonging to a community (e.g., a university) and sharing its values and assets correspond to my responsibilities to sustain

and nourish this community or institution through commitment and active involvement. The reciprocity creates a social bond which connects those involved and constitutes a public space. In the case of universities and colleges, this implies a strong osmosis and permeability of the institution and its environment as it is confirmed by the influence of lay boards of trustees, the vigor of alumni organizations and the life-long commitment of alumni to 'their' alma mater, but also by the emphasis on community service and service learning as an integral and central part of the mission of the institution and the curricula.

Ownership is thus closely related to the desire to belong to something that is seen as undeniably important and has a broad public appeal. But it also entails the intention to be actively involved in the shaping of the institution like an 'owner', instead of being just a passive part of it. Universities are thus public institutions in the sense that they are *res publica* – a matter that citizens take care of in their own capacity: a domain of republican rights and responsibilities (and this notion of 'public' of course also applies to private higher education institutions).

With regard to governance issues, ownership stresses more the communal aspects (to be part of a whole) and the character of the institution as a free association of equal-minded individuals who share similar values. In contrast, the stakeholder concept that is so prevalent in European higher education, emphasizes the functional dimension: Stakeholders are linked to a university insofar as it serves their specific interests whereby this link is not necessarily seen as a commitment to the values and the integrity of the institution but as an entitlement based on one's own status as citizen and/or taxpayer of the respective country. Under conditions of increased complexity and proliferation of tasks and demands, a functional approach to governance and the 'management of interests' which are often competing or even conflicting seems unavoidable. However, universities also occupy a very distinct place in society by providing a public space for free inquiry and the development of minds not only within their community of students and professors, but also beyond the campus. For a mass democracy in which the participation in public affairs is a critical issue and the feeling of alienation from power is widely spread, the cultivation of a republican spirit of governance, of being a citizen and 'belonging to' a community that shares equal values is of vital importance. Governance is the core aspect in the way universities relate to their environment and whether they want to have a stake in democracy, or rather be efficient suppliers for the global knowledge economy. Both objectives are not mutually exclusive. But they also are not easy to combine.

Good Governance in Higher Education

One of the difficulties of writing about higher education governance that many authors attest lies in a tendency to take it as an all-encompassing notion, a kind of master code that manifests itself in every aspect of university life. The following longer quote may serve as an example: "Governance occupies the pivotal position between the inner world (or worlds) of the university, and its larger environment. Not everything in higher education can be explained by governance, or is contained in its practices, but when we are talking about *institutions* of higher education, then governance is always present. Governance is concerned with the determination of value inside universities, their systems of decision-making and resource allocation, their mission and purposes, the patterns of authority and hierarchy, and the relationships of universities as institutions to the different

academic worlds within and the worlds of government, business and community without. It embraces 'leadership', 'management' and 'strategy'. Governance affects specialized administrative activities such as fund-raising, financial planning or industrial relations (...). Governance does not contain in itself the sum of teaching and research, but it affects them. It provides the conditions which enable teaching and research to take place." (Marginson, Considine 2000, 7) Not surprisingly, the authors reach the apex of their pan-institutional governance perspective by locating the concept at the very heart of what defines a given university: "Governance is where the identity of each university as a distinctive social and cultural institution is shaped" (*ibid.*, 8f).

Such an all-pervasive notion of governance makes it difficult to break it down and examine the workings of the system in order to understand, re-arrange or fix it. If governance is (the condition for or impacting) everything, how can something be said or done about it without taking an external point of reference? In other words: From a purely functionalist point of view all governance provisions 'make sense or can be justified for as long as they establish a consistent (regulatory, administrative, managerial, strategic) context of steering an institution. Thus, the same governance model can serve different purposes, norms and values, just like the same economic model can either be said to promote more welfare for as many as possible, or more profit for a small minority. This does not deny that there are certain governance principles and arrangements which lean towards a more participatory culture and a bottom-up approach in decision-making within the individual institution or the higher education system as a whole whereas other organizational arrangements maybe reinforce a more heavy-handed executive approach or an autocratic leadership style. But it is the primacy of values over procedures that allows us to distinguish between "good governance" and its opposite.

Our understanding of good governance can therefore not be limited to the merely functional aspects of ensuring the adequate institutional conditions for efficient and effective decision-making and problem-solving. The qualitative or normative dimension of governance links it to the values which are the underpinning for higher education and research, as it has evolved historically, and which the actors are subscribing to as the defining characteristics of their work. Good governance translates these values into a set of cohesive institutional structures and practices.

These values are first and foremost related to the integrity of the university as a place of disinterested scholarship, learning and intellectual instruction, as they are embodied in the principles of academic freedom and institutional autonomy. They were traditionally conceived as the pillars supporting the academic system as "a discrete sub-system of society, which in important respects could be distinguished (and, therefore, was insulated) from other sub-systems, notably the market and politics. In this general sense, the university was regarded as an autonomous space, regardless of detailed constitutional, legal and administrative arrangements" (Scott, 2001, 130). Governance in its contemporary understanding is synonymous with a re-orientation of universities away from an inward-looking perspective of a self-contained autonomous system to emphasize the 'embeddedness' of higher education and research into its environments (social, political, economic, cultural). It thus becomes "the key brokerage mechanism between the university and its stake-holder, partners and rivals." (*ibid.*) Good governance strives to preserve the integrity of the academic value system while at the same time it 'positions' the uni-

versity vis-à-vis these competing spheres of interest to make it receptive, and answerable, to external messages, demands and expectations.

Accountability towards broader societal needs and concerns which is a major issue in the present governance debate underscores the growing importance of engaging with the public rather than defining university autonomy negatively as the absence from 'outside interference'. In this respect governance becomes the conduit for expanding the mission of the university by including more intentionally a dimension which ranges prominently in U.S. higher education and which is captured in the notion of service as the third key component of academic work next to teaching and research.

In the European context, the term 'service' may not be as popular as in the United States to describe the contribution of higher education institutions to further larger concerns of the society (perhaps because for many academics it sounds somewhat demeaning of the independent value of scholarly work). But the pressure on universities to demonstrate their utility with regard to such concerns has of course been existing for many years, and the changes in governance structures were largely driven precisely by the aspiration to make higher education more responsive and adaptable to external needs and demands. In Europe, the predominant rhetoric refers to the economic aspects of knowledge production (job creation, employability, industrial innovation, strengthening competitiveness of the local economy on the global marketplace, Lisbon Agenda etc, to name but a few of the standard catchwords) whereas in American higher education the term 'service' is more often connected to 'softer' issues, especially to participation in community life and reaching out to diverse communities that form the social environment of the institution.

In what way do these political agendas influence questions of governance and, more pointedly, of "good" governance? In reviewing the pertinent literature on this topic, the answer becomes obvious: Even when there is almost unanimous agreement regarding the need for ongoing higher education reform both on the institutional and the system level, views differ greatly when it comes to governance issues (irrespective whether the term is used or not). There is a growing disenchantment with what is seen as the self-referential discourse of managerialism advocating efficiency, excellence, cost reduction, output indicators, performance/quality control etc., but being unable to explain the rationale for streamlining the organization in other than crude economic terms. These managers are (mis?)perceived as having forgotten the fundamental truth that governance is a means to an end and that the discussion about the end(s), i.e. the purpose of higher education, must precede the decisions about the means to pursue these.

Considering the multiplicity of conflicting objectives and the very real dilemmas that university leaderships are facing in aiming at moving targets, such misgivings might be undeserved. But they point to a shortcoming that apparently has its roots in an overemphasis on the management of change in universities during the past ten to fifteen years at the expense of a more consequential discussion about different governance cultures and what it is that defines the quality of governance relative to the purpose(s) of higher education. In the light of this, the scepticism (and occasionally even resentment) that the more outspoken supporters of New Public Management are facing at their campuses, might in fact be not a bad thing. It could serve as a catalyst for a very timely and relevant discussion on the topic of new public governance that takes account of the more fundamental political questions of what (higher) education in the public domain should be

standing for (and what are the appropriate instruments for converting value-based policies into coherent institutional operations).

This discussion has in fact already started⁶, but much of the literature on this approach to higher education governance still needs to be written. In doing so, it will be important to combine the lessons learnt in being more professional and proactive in terms of institutional self-management with the emphasis on the qualitative notion of (good) governance. In this way, university governance would indeed be the juncture where the distinctive social and cultural identity of each institution is shaped (Marginson, Considine 2000, p. 8f) as a result of the complex interconnectedness with the communities that make up the university both within and beyond the boundaries of the institution.

⁶ See the Council of Europe's programmatic focus on the "Year of Democratic Citizenship through Education" in 2005

Quality Standards and European Diversity – Core Characteristics of the Bologna Process [Ossi V. Lindqvist]

Quality and quality assurance (QA) at large in higher education were promoted to the prime position in the European Ministers' meeting in Berlin in 2003, and the explicit 'Standards and Guidelines for Quality Assurance in the European Higher Education Area' were endorsed in Bergen in 2005. This is an important and necessary step towards strengthening the European competitiveness in higher education (HE) as well as the continent's competitiveness at large.

But we must see both Berlin and Bergen, and the entire Bologna process not only as a current affair in the development of the European universities, but also as a response and an outcome of several historical trends. It is tightly linked also with the policies towards strengthening the competitiveness of the European Higher Education Area (EHEA).

The main issue of course is that we have moved, due to several historical developments, from a closed academic system to a much more open approach, and also towards collaboration with external stakeholders and the society at large. If, in the past, the governments were supposed to provide for the universities, then now the universities are expected to provide for the government and the society! The fact alone that an even higher proportion of the age class now enters higher education has produced in itself a number of new kinds of pressures for change in the character of HE.

Furthermore, the 'old' university may have been characterised as a rather defensive by its functions and relatively non-accountable for its own actions towards the society at large. In a way, the academic community felt itself rather 'safe', and its possible collective weaknesses were generally not an issue and were not handled transparently. If the old university was a kind of maintenance-oriented, then the 'new' one is required to be developmentally oriented, with a discursive internal culture.

Diversity within and between Countries

This should have consequences for the practices and philosophy of evaluations of higher education institutions in Europe. We must also recognise that the European HE scene is very diverse, with well over 40 countries, and even more regions involved, all with different cultural and historical backgrounds and developmental needs.

Especially after 1990, a number of private universities sprang up in Eastern and South-Eastern Europe, primarily because the 'old' public universities were unable to respond to the new educational needs and the labor market situation. (In the socialist countries, in fact, few if any new universities were established after the 1950's, in strong contrast to many western European countries.) This alone created a need for accreditation type of evaluations, simply because many of the new institutions were clearly below expected standards, and many were also applying for governmental support. Also, the newly-

joined countries in the Bologna process often have had difficulties in their public finances and in many cases their public universities' functional autonomy has been rather limited.

Diversity in higher education is not apparent only between the European countries but also within the countries. This may be simply due to the great numbers of higher education institutions (HEIs) of various types, a good example being Germany, or France. Or the HEIs may by their very structure or purposes be of very diverse types, including also many professionally oriented HEIs. This is demanding also for the evaluation systems and evaluation agencies and the methods they apply, which apparently have to show the same diversity as the HEIs themselves.

The higher education system in several countries is rather homogenous (e.g. in Sweden and Iceland, among the Nordic countries) in contrast to the binary system which consists of the so-called polytechnics and the universities established in several countries, e.g., Germany, Denmark, Ireland, Finland, etc. By their age the polytechnics are generally young and generally followed the post-war expansion in education; they were mostly established after the 1960's, and in Finland, for instance, as late as in the 1990's. (In contrast, there are several old European institutions of higher education that use the term 'polytechnic' in their name, but they do not necessarily fall into this modern polytechnic category.)

One consequence of the binary system, or of the overall diversity of the HE at large, has been the so-called 'academic drift'. The polytechnics show pressure to aim towards a 'university' status; in most cases their degree corresponds to the Bachelor's, and they may have but limited possibilities for research. At least in the UK, the old polytechnics added the 'university' into their name, but without actually being able to change into true research universities. But instead they are successfully promoting the so-called professional degrees which are now proliferating, and they even compare to the PhDs given by the established universities. Thus under this 'drift', it is the task for the national accreditation/evaluation agencies to assess the questions of compatible qualifications, though the decision on the status of a programme or the entire institution lies with the political bodies. At least in Norway, a few of the 'høgskole' have been given the status of a university, and this accreditation process is continuing. Similar pressures are apparent e.g. in Ireland. Accreditation has been one of the main means whereby the academic drift has been countered or 'checked' by public authorities, simply because it also involves public finances. It is becoming a common practice that the European polytechnics (Fachhochschulen, etc.) use the term 'University of Applied Sciences' in their international (English) name.

Quality Assurance and Development Orientation

In the Bologna process quality assurance is the core issue, as expressed in the European ministers' communiqué in Berlin (2003). Accordingly, the national quality assurance systems should include, among others, "*[A] system of accreditation, certification or comparable procedures*". In addition, the communiqué calls for "*[E]valuation of programmes or institutions, including internal assessment, external review, participation of students and the publication of results*".

This is an overall challenge for all European HEIs and the corresponding accreditation/evaluation agencies. The terms 'system of accreditation, certification or comparable

procedures' leave a lot of practical field of action for respective national policies as well as evaluation agencies. The role of students has still received a mixed response in different European countries, though in the Nordic region students' and their organisations' participation in the evaluation processes has been kind of self-evident from the very beginning in the 1990's. Also, the introduction of the European Credit Transfer System (ECTS) in this context is a challenging task itself.

In Finland, evaluations of the quality assurance systems in HEIs are based on an audit type of assessments, as "comparable procedures". Furthermore, the approach of the Finnish HE Evaluation Council (FINHEEC) as a national evaluation agency is based on development orientation, and not on accreditations nor on a narrow audit orientation with very strict criteria and performance indicators, which may lead into a 'punishment' approach. Development orientation is more trajectory-based and purports to work on the value-added; it can be also described as both supportive and collaborative. It is not that much concerned with fixed endpoints, but more with the present and the future. The quality and realism in the institution's strategic developmental drive, the quality of its internal processes, and the need to cover all the functions become the main targets in the audit of QA systems.

My own observation is that many European countries are now gradually moving towards more development orientation, away from strict accreditations that only or mostly determine but the minimum academic standards, and they may thus add little if anything to the overall competitiveness of the HEIs concerned.

The development orientation has been considered most appropriate in the current situation in Finland and for the Finnish HEIs. There are 20 universities and 28 polytechnics, and the same overall criteria in the audits of the QA systems apply to both sectors. The HEIs are all public and there are no private HE institutions. The criteria for public financing apply the same way for the universities and for the polytechnics, respectively. For the universities it is based on the numbers of degrees (Masters' and PhDs) produced, based on a rolling three-year agreement between each university and the Ministry of Education. The governmental financing of the polytechnics is based on the numbers of students admitted, though the actual ownership of the polytechnics may vary, though generally they are run by municipalities or other similar regional organisations. Thus we may also expect that the organisational diversity and differences in quality and QA are rather modest between the Finnish HEIs. Yet we have noted that building the 'quality culture' is a long-term process; e.g. some universities started the process already in the mid-1990's, while some other are only now waking up to it. All the HEIs undergo an annual round of negotiations with the Ministry as part of the policy of management by targets, and QA is an issue also covered in it. This management culture is open and aims towards mutual trust building. A problem, however, is a relative paucity in the research on higher education at large in Finland, though some universities have taken measures to meet this apparent demand.

In addition to the basic financing, close to half of the total expenditure of the Finnish universities comes from various other sources, mostly towards research. Most of that is competitive money, and in fact, the universities are thus partly 'privatised' this way. Virtually all Finnish universities are research-oriented. (Also the polytechnics can obtain research funds, on a competitive basis.) The supportive background for this is the national

innovation policy and strategy; it is a relatively top-down regulatory system, but so far it has served well a small country like Finland. The European Lisbon strategy target of 3% of the GNP invested in R&D by 2010 has been met so far only in Sweden and Finland.

The Finnish HE systems can thus be described as relatively mature, in which case the development orientation in the audits of the QA systems seems to work relatively well. My own observation is that already several European countries, representing the 'mature' stage in higher education, could be moving towards development orientation in their overall quality management, though the national policies and targets vary and thus one cannot predict any linear development in this respect.

Diversified Quality Assurance Systems

Thus the overall conclusion of the European development in quality assurance systems and their evaluations is that we cannot expect any rapid development towards any single and uniform practice; the European HEIs are simply too diverse for that. The European diversity in this respect, on the other hand, should not be seen as a handicap but also as a current and future asset.

The basic problem for Europe and the European HEIs is not the kind of quality assurance or accreditations they are subject to, but the willingness and availability of resources, from whatever source, to bring the European higher education back to the level where it can genuinely and successfully compete in the current global setting. The history of the European higher education and its universities over the last two hundred years or even through the 20th century should be a lesson worth taking note of, in every respect.

Assessing Assumptions: Private Higher Education Sectors in Europe [Anna Glass]

In many countries in Europe, private higher education is seen as a direct threat to the continuance and survival of public educational institutions, and by extension to societal structures based on the norms of public higher education provision. The relationship between the university and society has shifted over the years; however, public higher education remains one of the mainstays of European civil society. Society is governed and formed principally by citizens who have passed through the university system. Meanwhile, the university is sanctioned and sustained by the social order upheld by individuals who earned their standing in society at least partly by virtue of the qualifications earned at higher education institutions. To a certain extent, questioning the quality of higher education provision indirectly implies qualms about the qualifications held by academic, cultural, social, and political leaders (which makes it imperative to differentiate between “now” and “back then” when everything was better, more rigorous, more selective, etc.) The inter-dependent relationship between the university and society is one of the reasons why higher education reform is such a volatile issue, why each step must be evaluated and questioned, and why resistance to change comes from both inside and outside the universities.

Yet society is demanding that higher education institutions undergo reforms in order to produce new generations of knowledge workers and innovative thinkers who will keep Europe competitive in the global market economy. In the face of resistance to change in the public higher education sector, private higher education will soon (or perhaps already does) stand as a viable alternative for economies that are moving too fast to wait for public universities to catch up.

In Europe, where most private HEIs appeared after 1990, private providers of education are penalised either because they duplicate the same subject and delivery methods (and hire the same teaching staff) as public universities, or they are marginalised because they offer different subjects, alternative delivery methods, and engage teaching staff from outside the national education sector or hire academics away from public universities (essentially promoting “brain drain” away from the public sector).

Competition is a relatively new phenomenon to higher education in Europe; one not necessarily welcomed by everyone, especially when financial resources are so scarce and student numbers are predicted to drop dramatically in the coming years. Still, there are legitimate arguments as to why the increasingly diverse European democratic societies need both public and private higher education to provide public and private benefits to the economies and citizens. This article addresses several assumptions about private higher education in Europe and suggests that, in light of the social need for private as

well as public higher education, new and improved procedures for assessing quality in private higher education should be explored.⁷

Assumption 1: Private higher education is non-public

Higher education takes on multiple roles in society, where it is an agent of scientific, technological, and economic development, as well as of individual shaping and cultural development, “and, last but not least, a site of citizenship and democratic culture” (Zgaga, 2005, p.107). Societies benefit economically when significant portions of their populations receive education at the university level. The individuals who achieve higher education degrees normally benefit as well; higher education is most often associated with a higher paycheck. If universities are successful, they produce graduates who contribute to a functioning democratic society. In other words: there is a public need for accessible higher education of good quality for as many private individuals as possible.

One reason that society needs both public and private higher education sectors is because of the many different demands by various stakeholders, including the labour market and the shifting and expanding student populations. Higher education institutions, whether public or private, are forced to choose the demands they can reasonably address in order to survive, since they cannot realistically be ‘all things to all people’. In order to address the broad range of different demands, specialization is necessary and differentiation within the entire higher education system becomes inevitable. In his seminal study of entrepreneurial universities that became successful through strategic specialization, Burton Clark describes the reaction of the higher education sector and the role of private higher education institutions in the face of an overload in stakeholder demand:

National and provincial systems of higher education primarily cope with the growing demand-response imbalance by differentiation. Through both planned schemes and unplanned adjustments, systems sort out gross bundles of tasks to different types of universities, colleges, and research establishments. [...] Where private institutions exist, they develop individual niches in the overall national system. Access is thereby differentiated, labour market relations segmented, and different patrons provide different types and levels of support and expect different results. (Clark, 1998, p.132)

Private higher education becomes an inevitable part of the solution to the problem of diverse demands; it helps accommodate greater numbers of students while expanding the national repertoire necessary to provide equal access for different kinds of students (Gellert, 1999). In light of the commitment to ensure access to higher education for “all” in the course of the European Bologna Process (Bergen, 2005) and the observation that

⁷ This article is a newly revised summary version of a more extensive study originally submitted as “Shades of Privatness: Non-Public Higher Education in Europe”, by Fried, J., Glass, A. and Baumgartl, B. presented at the UNESCO-CEPES Warsaw conference on private higher education in Europe in November 2005: <http://www.cepes.ro/hed/meetings/private05/Default.htm>

“it seems that diversified and differentiated systems of higher education can handle the equal opportunities issues better than unified models” (Weber *et al*, 2005, p.172), European countries may experience an increasing *public* need for the *private* higher education sector.

Meanwhile, there are still opponents to the idea of differentiation, namely people or groups who want to maintain an integrated (even homogeneous) higher education system (Clark, 1998). Both formal and informal mechanisms to control diversity in educational provision have appeared. Licensing and accreditation processes are formal procedures often based on limited standards defined by public universities; they can potentially impose conformity more than they ensure quality. Informally, public perception is often influenced by conjecture, particularly in the face of limited available or reliable information. Private higher education is caught between the demand for diversification and the restrictive indicators used for quality control in the higher education sector, many of which are based on the assumption that public universities maintain the standard of excellence that private institutions should strive to emulate. If the definition of “good” quality is restrictive, diversification from the norm can only be penalised, not promoted.

All types of higher education address both public and private good. Meanwhile there is an explicit public need for diversity in higher education provision, curriculum, and delivery methods in order to answer the demands for access in European democratic societies. As a result, the labels “public” or “private” for higher education institutions are often misleading. All higher education is private in terms of the opportunities it provides to individuals, both during the learning process and as a symbol of qualification for employment. Likewise, all higher education is public in its role within societies, since “the public encompasses all members of society and the public sphere encompasses what is done collectively or on behalf of at least a large part of society” (Weber *et al*, 2005, p.16).

A democratic society “values responsibility, liberty, and property instead of dependence from government handouts and tutelage by state authorities” (Fried, 2005, p.33). This is what Michael Daxner (2005) calls an “ownership society”, where patients control their own health care, parents control their own children’s education, and workers control their retirement savings. All higher education providers, both public and private, are thus public institutions in the sense that citizens take ownership of it in their own capacity. The “publicness” of private higher education must be recognized and acknowledged at the outset of any discussion of the private higher education sector. In spite of the implication of its label, private higher education addresses public needs, meets public purposes, and remains a public concern.

In a recent paper proposing a revised approach to the public/private divide in higher education, Simon Marginson demonstrates that “sectors such as higher education are intrinsically neither public nor private” (2007, p.315). Indeed, no behavioural criterion or set of criteria have been identified that consistently distinguish legally-designated “private” from legally-designated “public” higher education institutions across different countries. Sometimes there are no consistent differentiating criteria to distinguish between the two sectors within a single national higher education system. Several criteria, such as

mixed funding sources and legislation applicable to both public and private higher education, provide evidence of increasing private-public blurring (Levy, 1986). Considering the public nature of private higher education and the private nature of public higher education, practical distinctions between the sectors become irrelevant and it is less important to distinguish between them (in't Veld *et al*, 1996). For purposes of taxonomy, the labels "public" and "private" are the most commonly used "markers" for differentiating HE institutions. The flaws in this system are obvious: "Laws cannot be expected to provide reliable definitional criteria if we do not have consistent criteria on which to build clear laws" (Levy, 1986, p.170). Moreover, "the conventional language of public/private is more designed for persuasion and symbolic politicking, than for explanation and analysis" (Marginson, 2007, p.309).

Although this article continues to refer to "public" and "private" higher education, in this text these labels refer only to the legal ownership designation of the higher education institutions.

Assumption 2: Private higher education is exploitative

One of the main arguments against private higher education in Europe is based on the idea of tuition fees. Public education is "free" while students who attend private institutions pay fees. The assumption is "private = rich" students who can afford to pay for (or buy) their diplomas. The existence of fee-paying students in public universities is often glossed over without acknowledgement. In many countries, especially in the Eastern part of Europe, public universities are allowed to admit a certain number of students beyond the quota "paid for" by the state (the fees paid by the state can actually be lower than those charged by the university to individual students). On average, the fees at private institutions are usually higher than at the public universities in the same country. There are, however, instances where the fees at public universities are higher; there are also many private higher education institutions that provide financial assistance in the form of scholarships, grants, or loans to students in lieu of fees.

The term "exploitative" can also be applied to European public universities. Many admissions procedures involve awarding "free" study places to students with the best national entrance examination scores. Students who do less well on the national examinations have to pay tuition fees in order to study at the universities. Meanwhile, most high-scoring students come from families in the higher socio-economic classes of society; students who do well on exams are often those who have time to study (they do not have to work), receive support (family promotes importance of education), and enjoy environments conducive to study. Meanwhile, students who score lower on the tests often come from families in the lower socio-economic strata; they may work while enrolled in school, venues and opportunities to study may be limited. In a system that awards "free" study places to students who achieve the highest test scores, students who have the most money are often the beneficiaries of the state (public) coffers.

In those countries where it is legally permissible for public universities to charge tuition, this system also perpetuates the socio-economic status of affluent students who are admitted at universities for “free”. Higher education produces individualised private goods to students, such as opportunities to secure higher incomes and social standing. These opportunities are arranged in a hierarchy of value, depending on the prestige of the institution (Marginson, 2007). In the European context, when public universities enjoy the reputation of being prestige institutions (as they often do) and award most of the “free” study places to students with the most money as well as the most social and cultural capital inherited from their families, then *public* moneys are being used to provide the highest-value *private* good to these students when they graduate. Meanwhile, students from more modest backgrounds are either paying tuition for their degrees from public universities (in the best case scenario and where this is possible), or they are forced to attend a less prestigious private higher education institution that will often award a degree of lower economic value on the labour market. In this case, the public universities can be deemed exploitative for charging fees from students less able to pay, and perpetuating the elite socio-economic class while claiming to provide free education to all. Private higher education institutions in this scenario contribute to equality of access, both to higher education and to (eventual) economic advancement.

Assumption 3:

Private higher education is regulated fairly through accreditation

One of the mechanisms for public control over higher education, found within the accountability framework, is the introduction of accreditation standards and procedures. The purpose of accreditation is usually intended to promote transparency and quality throughout the educational system. However, there is some indication that accreditation practices reveal a legal bias in favour of the public higher education sector over the private. The accreditation process has been used as a legal lever to “weed out” both poor quality higher education institutions, as well as those of acceptable quality that do not conform to standards set mainly by traditional, comprehensive public universities. In this way, the actual exercise of accreditation procedures has resulted in a push for conformity and uniformity in higher education institutions’ missions, academic work and practices. The perpetuation of this kind of accreditation usage diminishes differentiation and diversity across the higher education systems in many European countries.

Accreditation requirements are often applied differently in the public higher education sector than in the private. In many countries, public universities are granted operating licenses and accreditation status without submitting to formal review or evaluation processes. Private higher education institutions in these countries are required to undergo some form of state assessment in order to obtain legal status. Until now, the traditions and legacy of the public universities have been used as evidence of their continued excellence today; however, with the advent of new governance structures and accountability requirements, accreditation procedures should be tools for transparency in all higher

education institutions, even for those universities that pre-date the accreditation procedures.

In those countries where an accreditation process has also been introduced for the public higher education sector (such as Estonia, Bulgaria, Germany, Italy, Poland, Romania and Ukraine), public universities are granted more influence over the procedures and outcomes than are private higher education institutions. In some cases, public universities may have the option of keeping a negative institutional evaluation confidential or even challenge the results (as is the case in Estonia). No examples have been found of private higher education institutions that have attained this level of control over accreditation outcomes.

Although the regulatory role of the state requires it to protect the interest of (all) stakeholders in higher education, and standards must certainly be maintained throughout higher education systems, it is difficult to argue that the same specifications must apply to all higher education institutions. Accreditation requirements must allow for differentiation in institutional mission and cannot be limited to quantitative indicators for the number of full-time faculty or research staff, number of research publications or patents. To take an example from the United States: many liberal arts universities and colleges focus primarily on high quality instruction and learning outcomes, and their faculties produce very little research – nor are they expected to. Indeed, if the faculty at such institutions were to neglect their teaching duties in favour of research activity, they would very likely be reprimanded. The use of accreditation processes as controlling devices runs counter to the goal of diversity in educational provision for massified systems of higher education. Limiting indicators of quality can reduce the value of all education, regardless of the providers' public or private status.

While it is one thing to maintain quality control and guard against unethical or illegal enterprises in education, biases in accreditation procedures effectively exclude potentially valuable educational innovations. In terms of accreditation, the stance in Europe in regard to private higher education institutions appears principally to be one of defensiveness in which higher education becomes less “about offering society new skills and competence but rather [about] the survival of [established] faculty and universities” (Tomusk, 2003, p.231). Indeed, one of the consequences of relying primarily on input criteria such as staff, infrastructure, library resources, etc. has been the emergence of a culture of complacency among higher education institutions that achieve the required standard. This runs counter to the promotion of quality in higher education that would best serve graduates seeking recognition of their diplomas in the labour market.

Assumption 4:

Private higher education is inferior to public higher education

As soon as we go beyond the level of specific institutions and discuss quality at the level of the private or public higher education sector, this assumption seems to be based mainly on inherited pride in the state educational system, as well as a blind faith in na-

tional entrance examinations. There is extremely broad diversity in the kind and quality of higher education institutions that are classified as private. A valid assessment of the quality maintained by a higher education provider, therefore, must incorporate a wide variety of indicators, assured within the frameworks of public responsibility and institutional autonomy, academic standards and equality of access for all.

Private higher education sectors in Europe can be classified as access-providing or elite (Levy, 1986). Access-providing private higher education sectors exist in Europe in countries where there are significantly more applicants than the public universities can accommodate. Other private higher education sectors take the role of elite-providing; this appears in countries where access to public universities is "massified" (nearly unlimited access).

There are differences in reputation between access- and elite-providing types of private higher education sectors. Private higher education sectors that provide additional access are generally regarded as low quality because the private institutions admit students who score lower than those who attend public universities, and the private education providers commonly replicate the programs offered in the public university sector. The high quality of elite-providing private higher education sectors is more easily acknowledged; these sectors cater to fewer students and often concentrate on certain academic areas of specialisation. The danger in elite-providing sectors is that high tuition fees can be interpreted to equate to high quality, even when this is not the case. Rigorous quality assurance procedures are needed in both types of private higher education sectors.

Access-providing private higher education sectors

In the access-providing role, many private higher education institutions offer study fields that are also found in public universities. Duplication is often regarded as exploitation; private higher education institutions replicate public universities' curriculum, yet they lack the status, tradition, and prestige that has been established over many years within the public higher education sector. While it is true that even very poor quality private higher education institutions that duplicate popular study programs can attract fee-paying students simply because the demand for study places is so high, duplication does not *automatically* imply a lack of standards in the private higher education institutions. Many private higher education institutions place great emphasis on quality of instruction, the employability of their students, and the needs of the labour market. The motivating factors for these private higher education institutions to offer these subjects may be the high demand for additional study places, a perception that poor quality provision prevails in the massified *public* higher education sector, or the conviction that better quality provision can be achieved with different methods than the public universities use. In the course of their development, and by instigating increased competition in the high-demand study areas, private higher education institutions that replicate the study programs at public universities might also act as catalysts for change in the public higher education sector. Indeed, rather than being broadly stereotyped for lower quality, access-providing private higher education sectors should be examined more attentively for indi-

cations of their influence in raising the level of quality throughout higher education systems.

In higher education systems where the public universities are over-crowded, many of the applicants whose scores would actually qualify them to attend are denied admittance merely due to space limitations. The public universities fill the available study places with the highest scoring students, but the number of students who attain qualifying scores is often larger than the number of places. Private higher education institutions can provide study opportunities for the students who are in fact qualified to attend a public university. As long as the curriculum at the private higher education institutions largely corresponds with the curriculum at public universities, and the private higher education institutions are attentive to the quality of their provision, students from both sectors have the chance to continue studying at the graduate level at national public universities or elsewhere, a practice that has come to be termed “diploma washing.” In effect, diploma washing increases access to higher education for a broader student body than public undergraduate programs could reasonably accommodate. It helps disprove the view that only students with the highest higher education entrance exam results will succeed at the higher education level. In this regard, the practice of replicating programs high in demand is a service by private higher education institutions to students who wish to qualify for graduate courses at public universities. The private higher education institutions also succeed in augmenting the number of graduate students in the country, thereby contributing to the public good of increased knowledge distribution, collective literacy, and common culture (Marginson, 2007).

Other private higher education institutions in the access-providing role do not duplicate the programs or styles of public provision, but introduce new courses and teaching methods to the national higher education system. If there is a demand for the programs, these institutions prosper by developing a niche specialization in an area that is unavailable at the public universities. An illustrative example of innovative access provision appears in Austria, where a private university in Vienna offers BA and MA degree courses in traditional Chinese medicine. Public universities offer programs in conventional western medicine, but access to alternative medical programs did not exist in the country until the founding of this private university.

Elite-providing higher education sectors

In this context, “elite” refers to the limited number of study places available in the private higher education sector. In some sectors, eliteness is based on socio-economic status or social/cultural capital; in others it is based on the Platonian definition of elite and refers to specialised knowledge and skills accompanied by responsibility and a strong social ethos.

There are appreciable differences in quality between different elite-providing private higher education sectors, depending on the definition of “elite” used; however, all elite-providing private higher education is defined by the presence of a selection process. If students are admitted primarily according to their ability to pay the (relatively) high tuition fees, but little regard is given to their academic abilities, these financially exclusive private higher education institutions have adopted the first definition of “elite” and can con-

tribute to social inequality by perpetuating a social class based on wealth and power. If, on the other hand, selectivity is based on educational achievement, independent of students' financial means or social standing, and is supported by a system of scholarships and financial aid, the private higher education institutions can actually contribute to the formation of a new elite cadre, based on criteria such as intellectual ability, artistic talent, technical aptitude, commitment to societal concerns, etc. This kind of opportunity-opening elite-provision inevitably places great emphasis on the quality of its programs, teachers, and resources.

There are certain recognisable advantages to the existence of a higher education sector with high academic standards that provides excellent quality for a select portion of the student population. In some cases, this type of elite provision helps counter-balance the trend of brain-drain that is a concern in many countries; by emulating U.S.-models, for instance, private higher education institutions in some European countries (such as Germany, Turkey, and Russia) offer a local alternative for students who might otherwise seek education in the United States or the United Kingdom. In some high quality elite-providing higher education sectors, innovative practices offer a more student-centred approach to learning than at the national public universities (i.e. Austria); they may place more emphasis on skill development or be more attentive to employment placement (i.e. Spain). In Germany, many high quality elite-providing private higher education institutions boast a more specialized approach to training or business-oriented courses. By providing higher education programs that attract motivated and entrepreneurial-minded students, elite-providing, innovative private higher education institutions contribute to national economic development (World Bank, 2000; van Lutsenburg Maas, 2001). More importantly, high quality elite higher education provision serves the public good by training socially responsive specialists who become leaders in business, industry, politics, and health care, as well as (hopefully) higher education.

Profiling private higher education institutions and sectors

In many cases, there are relatively few channels through which private higher education institutions can prove their legitimacy and contest their reputations as low quality providers. However, in light of the different kinds of access- or elite-providing higher education sectors described above, several types or "profiles" can be identified within the two main roles (Glass, 2005). The profiles indicate both higher and lower quality within both access- and elite-providing private higher education sectors:

Profiles in access-providing private higher education sectors include:

- **Exploitation:** low quality replication of public higher education providers; prompted by high student demand; more responsive to profit from the student market than delivery to the labour market; little concern for quality assurance or accreditation status
- **Motivation:** high quality replication of public higher education providers; depends on high student demand, responsive to the student market; responsive to

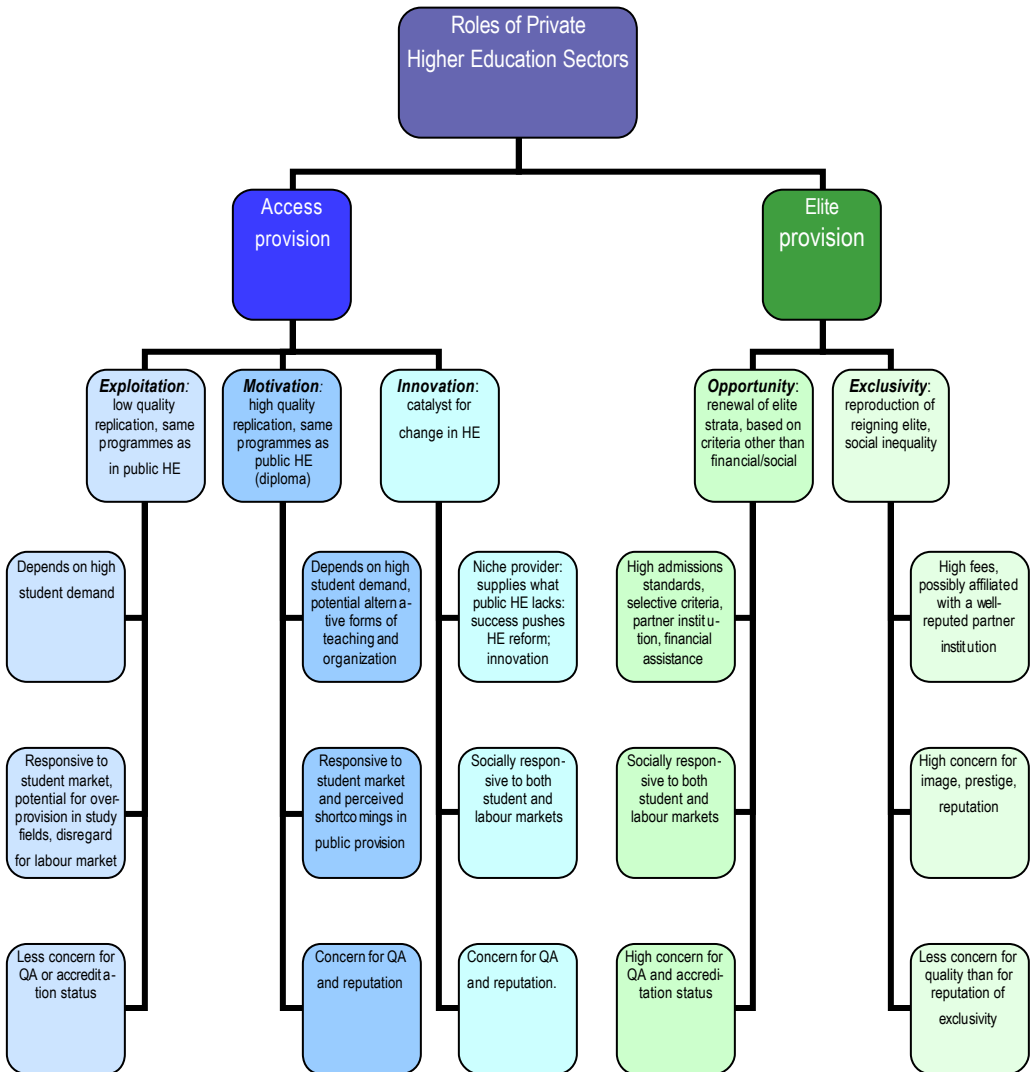
perceived shortcomings in public higher education provision; high concern for quality assurance and accreditation status

- **Innovation:** can be a catalyst for change in higher education systems; as a niche provider, supplies what public higher education does not; socially responsive to both student and labour market needs; high concern for quality assurance and accreditation status

Profiles in *elite*-providing private HE sectors include:

- **Opportunity:** promotes the renewal of the elite social strata, based on criteria other than financial or genealogical; high admissions standards with selective criteria and student financial assistance; socially responsive to both student and labour market needs; high concern for quality assurance and accreditation status
- **Exclusivity:** promotes the reproduction of the reigning elite and social inequality; high tuition fees are not supported by financial assistance strategy; high concern for image and prestige; less concern for quality than for reputation

The “publicness” of private higher education was discussed earlier in the article, as were the different public and private goods provided by both public and private higher education. Still, it seems that the terminology for the two sectors will not change anytime soon (especially since it persists even in countries where private higher education already has a relatively long tradition, such as in the USA). In light of the limited capacities of public universities to respond to the multifarious demands by different stakeholders, the *right of* private higher education to exist should rather be expressed as a social *need for* private, as well as public, higher education in Europe.



Looking Beyond Universities: A Political-Economic Analysis* [Asha Gupta]

A vital debate has begun or perhaps an old debate has been renewed worldwide about the purposes of higher education in the 21st century. The debate initiated around the neo-liberal themes of globalization, privatization, liberalization and de-statization seem to have entered the realm of higher education. Whereas the UNESCO is striving hard to promote pluralism and diversity through equitable access, capacity building, sharing of knowledge and technology, the GATS and WTO are vying for reducing all sorts of barriers to 'trade in higher education', higher education having become a US \$3 trillion business worldwide. Whereas some authors are talking about the 'universities in ruins', 'end of golden epoch of academia', 'demise or moral collapse of higher education', others are talking about the new beginning of the golden epoch of academia.

All the world over, the universities are passing through the difficult phase of several crisis – 'the crisis of hegemony', 'the crisis of legitimacy' and 'the crisis of institutional failures'. The hegemony crisis relates to the loss of special place in society or elitist perception by society in the wake of massification of higher education. With the emergence of multiple stakeholders in the business of higher education, the universities are losing their monopoly over the creation, dissemination and preservation of knowledge. Under the new internationalism, where the 'economic politics' dominates the 'political markets', the universities are losing their autonomy and academic freedom to a great extent.

The universities and higher education institutions today are under tremendous pressures to respond and adapt to the criteria laid down by the market economy at the national level and globalization processes at the international level. Though the state support has declined over the last 20-30 years in terms of public funding despite the surge in the demand for higher education and technical skills, public expectations from the universities, including the private higher education institutions, have arisen. We find paradigm shifts in the relationship between the state and the universities in the name of 'emergence of market forces', 'international competition', 'technological development' or the 'arrival upon this earth of the new electronic Jerusalem' known as information society.

The very missions of the university are changing from the 'quest for knowledge' to 'knowledge in application'. Earlier, the university was perceived as a valuable and prestigious social institution for being autonomous both from the state and the Church. The universities were supposed not only to teach, train or "upskill" but also inculcate in their students the capabilities to be able to reflect, create and critique. They always had the civic, cultural and eco-

*This paper is based upon the talk given by Dr Asha Gupta, author of the forthcoming book *Looking Beyond University: Higher Education in the 21st Century*, as informal / optional at Salzburg Seminar Session 436 on November 10, 2006.

conomic purposes in their mind. Today, the modern universities are required to function as 'result-oriented' and 'entrepreneurial organizations' by maintaining closer relationship with the industries and outside world.

Today the universities and research institutions, in the wake of seeking alternative sources of funding, are forced to drift towards 'corporatization', 'marketization' and 'academic capitalism' like any other business enterprise. They are no longer politically and culturally attuned to the national goals. With growing globalization and internationalization of higher education, they are under constant pressures to adjust, accommodate and adapt to the emerging trends. They have to deal not only with the nation state but also with 'non-state' and 'supranational organizations' facing formidable challenges and constraints in the process. Earlier, higher education was perceived as 'public good' and an 'end in itself'. Today, it is being castigated as 'private gain' and hence the focus is more on 'outputs' than 'inputs'.

Therefore, we need to look beyond the universities to be able to discern the impact of rapidly changing global scenario, hi-tech developments, need for lifelong learning on the universities worldwide. These have led to 'unanticipated' and 'unwarranted' growth of the corporate sector and private initiatives in the realm of higher education through marketization, commercialization, commodification and privatization. Instead of being great equalizers, the universities are likely to enhance the already prevailing socio-economic disparities in terms of knowledge, information and other monetary gains in future. Whereas the traditional universities have been open and generous in sharing knowledge and information, the modern entrepreneurial universities are likely to encash new knowledge through patents and Intellectual Property Rights.

The public universities today have to coexist and compete with non-universities, private universities, corporate universities, foreign universities, distance and open learning universities, each having different clientage, governance and value system. They have to accommodate the prevailing diversities, complexities and ambiguities, both within and outside the institutional framework requiring the 'removal of the old', 'transformation of the existing' and 'building of an altogether new set up'. Their roles might vary substantially depending upon their visions for the future. They might take up 'conservative', 'transformative' or 'radical roles' accordingly. Moreover, they must realize that in the wake of technological innovations, much learning now takes place outside the precincts of the modern universities. The recent innovations have made learning possible on anytime, anywhere basis and that too at the self-paced speed!

Earlier, the main purpose of higher education was 'intellectual growth' and 'quest for knowledge for the sake of knowledge'. Today, the concept of 'utility' seems to have become the cardinal value behind pursuing higher education and professional training. In ancient times, the Greeks distinguished between education of a 'class maintained in leisure' and 'those having the leisure'. They believed that only those who were free from the compulsions

of obtaining the necessities of life could afford to chose those areas and activities that were self-rewarding, such as, pure research, pursuit of arts or music, etc. Their education was supposed to be 'superior' and 'more intellectual' than the practical and vocational training imparted to the masses and the artisans. Such views still prevail in most of the developing societies.

On the contrary, the 'modern learners' are not interested in seeking knowledge for the sake of knowledge. Their main focus is on 'seeking job opportunities' or 'utilitarianism'. The universities are therefore required to prepare their students for their immediate individual or economic needs and matching lifestyles rather than for their future roles in the social or national development. The modern universities cannot ignore gross individualism, consumerism, alienation and other political-economic trends emerging in the wake of globalization and fast means of communication. No wonder, their focus is more on providing quick information in modular forms than imparting true knowledge leading to wisdom. The modern universities are no longer perceived as the 'abode of wisdom' since only one-third of the learning now takes place at the universities, one-third of the learning comes through self study and the rest from interactions with the peer groups or on-job training.

We should not forget that it is one thing to acquire information through teaching and research but it is quite another thing to acquire true knowledge and wisdom. Very few know that not only the 'mind', but also the 'heart' can be an abode of knowledge. Too much emphasis on 'academic' or 'intellectual knowledge' can suffocate innovation and creativity. Moreover, one needs to look beyond the precincts of the universities to be able to find opportunities for the applying the abstract knowledge gained through analysis and reasoning to some practical use or hitherto unexplored areas of art, music, anthropology, neuroscience, psychiatry or psychoanalysis. In fact, Sigmund Freud did a great service to the domain of knowledge by concentrating on the hidden workings of 'unreason', 'subconscious' or 'unconscious'. There are many scholars who are now focusing on the knowledge gained through 'intuition', 'spiritualism' or 'faith'.

Moreover, the formal knowledge gained at various universities and research institutions is being challenged by the multinationals and the corporate world alike. For instance, the NASSCOM in India in a recent report brought out the fact that only 10-15% of the graduates churned out by the 348 public universities and 17963 colleges every year are, in fact, employable by the information and technology sector or the global markets. Again, the authority of the modern universities is further challenged by the 'non-literary world' of television and mass media. The non-university entities focus more on 'value for money' and 'intelligence in action' than 'academic or intellectual knowledge'. As such, the universities are striving hard to find a niche for themselves in the new world a world dominated by the geo-economics over the geopolitics.

Hence it has become imperative to look beyond universities to be able to understand the game plans of the economic and political hegemony at the

local, national or global level. In post-modern and post-industrial era, education cannot be a neutral enterprise. No educator can fully separate himself or herself from the institutional arrangements or forms of consciousness dominating the political economy within which a particular university or higher education institution has to operate. They may support or oppose them but they cannot be immune from the ongoing struggle between the hegemon and counter hegemon, progressive or conservative forces. Hegemony and ideology have always been important aspects of education in theory and practice. With political and economic changes taking place in a given society and that too at an unprecedented speed, the socio-cultural role of the universities is bound to change.

Though the global transformations in politics and economics are visible, it is not so easy to visualize, discern or conceptualize the changes taking place at the level of power-knowledge realm. Since power and its character gets changed from time to time, therefore, out of compulsion, knowledge and its character also gets changed. With globalization and fast means of communication, the role of university too has changed. Instead of aiming at the individual, social and national development in terms of economic growth and civic engagement, we find the universities encouraging constant consumption like any other business enterprise.

In fact, the emerging trends in the wake of geo-politics, geo-economics, geo-strategic and hi-risk societies, unleashed by techno-scientific civilization, have added new dimensions to power-knowledge realm. Today we find a new sense of modernity, often 'ambivalent', 'multiple in meaning', 'vague', 'uncertain' or 'borderless'. Instead of constant 'quest for truth', we find the today's students engaged in searching 'multiple truths'. Similarly, we find a shift in paradigm from the 'university' to a 'multiversity'. Instead of students aspiring for imbibing certain values by attending a prestigious university commonly, the universities today can be seen trying hard to reach out the diverse types of students coming from diverse socio-cultural and regional backgrounds. They do so by providing multiple choices in terms of curricula, admission and examination policies, variable fee structures and co-curricular activities. Today they treat their students as their most valuable clients rather than future citizens.

So far, the cardinal values of a university have been its 'trust in rationality', 'scientific enquiry' and 'its processes'. But with the passage of 'knowledge of fallibility', 'limits of science' and 'rationality' and the prevalence of the 'principle of randomness' at the level of universe, both at the societal and academic level, we are forced to look into the alternative modes of knowledge based upon 'intuition' and even 'telepathy'. We have to understand that the 'whole' of universal knowledge is 'neither rational nor realizable'. Since both intellectual and moral dimensions underlie universal knowledge, it can only be achieved through rationality and faith combined. Under this scenario, there cannot be any absolute or permanent truth. Rather the students will

have to find out their own 'truths' by engaging in 'lifelong learning', 'unlearning' and 're-learning'.

The public system of higher education is not geared for massification, diversification, vocationalization, lifelong learning, diversified capabilities and rising expectations of the students, their families and their employers in a networked and interconnected world. The universities have neither the funds nor the infrastructure to meet the expectations of the 'modern', 'well-informed' and 'hi-tech' societies. They have no other choice but to rope in the 'private', 'corporate' and 'global stakeholders' in a big way. Like globalization, the enhanced role of the 'non-state sector' in higher education has become not only 'inevitable' but also 'desirable', especially when the focus of higher education seems to have shifted from 'social leadership', 'custodian of culture' and 'civic engagements' to 'economic gains' and 'individual gratification'.

We should not forget that in today's world of 'globalization', 'maddening competition and collaborations', 'hyper mobility of capital and labour', 'tremendous growth of service and entertainment sectors', we find the paths paved for the 'new knowledge' that can produce enormous riches 'convertible into 'technology', 'organizational intelligence', 'productivity' and 'rational consumerism' in lieu of 'epistemological' and 'organizational forms' of knowledge production and its dissemination worldwide. It has resulted into the emergence of 'entrepreneurial universities' having manifold implications both for the developing and developed world. Instead of relying on state funding, they are now expected to provide funds to the state exchequers through various devices!

For instance, it may imply 'commodification of knowledge', 'generation of funds through non-statutory and private sources', 'performance based evaluation of the HEIs', 'avoidance of non-tradable research', 'technology transfer through business-research partnerships', 'consortia and specialist units leading to intellectual property rights', 'fragmentation of teaching and research under the Humboldtian model,' etc. No wonder, we find shifts in paradigm as far as the role of government, public-private partnerships and 'alternative sources of funding' are concerned, based upon 'institutional competition', 'entrepreneurialism' or 'enhancing the demand for higher education and technical skills' are concerned. No wonder, we find the sudden emergence and mushroom growth of the private and foreign providers and stakeholders, including the for-profit ones.

The 'non-state' provision of higher education and technical skills is quite popular both in the advanced economies and the developing societies. The private HEIs are more successful as they are able to meet the demands both from the individual and the market in a cost effective manner. In some cases, they have proved not only demand absorbing but also demand-creating. In fact, their very presence in the market has made higher education accessible, affordable and desirable. It has resulted in the enhanced consumption and accessibility of higher education worldwide. The myth prevails that the

more you learn, the more you earn. Surprisingly, in most of the developing countries, we still find the craze for the diplomas and degrees amongst the middle class. It views higher education and professional training as the only gateway to social and upward mobility. Obviously the entrepreneurial private sector is too willing to exploit the opportunities in an unregulated domain.

The advanced economies are equally willing to sell their curricula, faculty, teaching and technology to the universities in the developing world. In advanced countries, earlier we found the corporate and private sector sponsoring some students, athletic or cultural events at prestigious universities. Now we find the corporate world using university logos on corporate sweatshirts, etc. In fact, we find various universities becoming competitors for the 'traffic of merchantable instructions' in the same way as 'rival establishments in retail trade compete for custom'. Commercialization of higher education became more prevalent in American universities than in most other universities worldwide with the rise in opportunities for trading in scientific knowledge and educational consultancies.

The Bayh-Dole Act passed by the American Congress in 1980 also came handy for the universities in making commercial exploitations through owning and licensing the patents on the discoveries made by them through research funded by public money. Tax breaks also encourage the industries to invest into university-based research for commercial breakthroughs. These American values, in the name of globalization, have far reaching consequences on the higher education systems in the developing world. Some of the universities in the developing world have already started outsourcing certain services, such as cleanliness, mess, maintenance of hostels, labs, equipments, security, etc. It has affected the intellectual pursuits and encouraged 'marketization' and 'commercialization of higher education' under various guises.

Even the academia and the researchers at the university have started acknowledging the importance of commonsense and worldly-wisdom that comes through everyday learning, on-job training, nature-watching, intuitive or spiritual awakening. Though such knowledge cannot be validated through rigorous and scientific methodologies, yet it cannot be ignored. Nor can we ignore the importance of indigenous knowledge anymore. For instance, the tribal can get an indication of impending *tsunami* merely by watching the unrest among the birds much in advance than the modern electronic devices. Even Newton discovered the law of gravity simply by watching the apple fall down to the earth. Similarly, simple acts of beholding and contemplative thinking can result into new discoveries.

Just as empiricism forms a common ground between arts and humanities, on the one hand, and pure sciences, on the other, similarly, spiritualism can also be seen as a common ground both for the fields of higher education and learning. The universities cannot and should not push the scientific enquiry at the cost of spiritual, intuitive or indigenous knowledge. Rationality and scientific knowledge have their own limits. The spiritual experiences only

complement the scientific knowledge. For instance, some of the universities in the USA are now encouraging *yoga*, meditation and other contemplating practices. The technological breakthroughs in the form of virtual universities have also made academic pilgrimages and connections with the outside world possible.

Today more and more universities are required to cater to the needs of the adults working outside the university system. The universities need to seek alliances with industries and technocrats to be able to meet the requirements of the working and mobile adult learners who have neither the opportunity nor the inclination to come to the campus, stay on the campus or have the usual dialogues and discussions one finds in the students lounge. Earlier attempts were made to meet the demands of new generation students by installing computers into the libraries and dormitories. Today the students, who also happen to be full time workers, need 'out of class learning'. It has resulted into 'mobile learning' in the form of 'e-learning' or 'virtual learning'.

In future, the difference between working and learning is also likely to bridge further. We find close relationship between mobility and virtual learning. To Clark Quinn that day is not far off when the distinction between 'pen' and 'keyboard' or 'desktop' and 'virtual' will disappear. Mobile learning will pave the way for e-learning and mobile computing with the help of seamless wireless networking on anytime, anywhere basis. Eventually the learner will neither know nor care where the learner model is kept, where the content resides or how to handle the communication system. This will happen as the cost drops, product power improves, and design takes into account a wider range of learning styles and lifestyle needs.

Moreover, we as educationists owe the responsibility towards our students, to equip them with an insight so that they are able to look beyond the precincts of their universities. We must equip them not only with the skills to be able to make a living but also with scientific enquiry and contemplative insight. It is not enough to acquire analytical reasoning based upon computation but also to acquire the 'ratiocination' or 'logical skills' based upon minute observation and deductive analysis. To Kant, we need, the *versrand* and *vernunft*, reasoning and perception to be able to arrive at the truth. Just as it is a mistake to equate an 'idol' with a 'god' or a 'goddess' itself, similarly it is a mistake to believe that all knowledge dwells within the four walls of a university. Just as a statue or an idol is to be treated only as a pointer to god beyond itself, in the same wake, a university is to be treated only as a pointer to knowledge not only confined in itself but also beyond itself. Only such an understanding can help us in grasping the hidden intelligibilities of the world.

It is difficult to predict about the future of the university or the university in future in view of the rapid changes taking place in the realm of higher education worldwide both in terms of quantity and quality. It is predicted that by the mid 21st century about 50% of the human population would be under the age of 20, implying a greater need and market for higher education and technical skills. Whereas some scholars are predicting that the standardized higher

education would be available worldwide and the university systems would become fully integrated at the global level, there is no dearth of scholars who have predicted the demise of the 'universities as we know them'. In future, the universities are likely to create work for themselves rather than work for others.

It is equally difficult to say whether the university would remain a 'community of scholars' having consensus over certain academic values and ways of life or would it become 'a community of dissensus'. As of today we find the universities playing a key role in providing the social bond that ties an individual with the nation state. They act as the custodians of national values, culture and even religion in some cases. The universities are supposed to be the forum where free and rational discussions take place. The university provides the site where a sense of community is founded among the students, teachers and staff alike. It took the shape of a 'guild' in medieval period and that of a 'community' in the era of the nation-state. Based upon instant communication and networking, the post-historic universities cannot inculcate the same bonds and memories that were forged by the traditional universities earlier.

Such a 'community of learners' is unlikely to have common regional, national or cultural bonds, and, therefore, common identity. In future, in the absence of common physical space due to a paradigm shift from a 'brick' to 'click' university, the sense of community is likely to be only abstract, just like God. Structured by a 'constitutive incompleteness', such a community would be more of 'singularities' rather than subjects having some common or organic bonds. Bill Readings had called it a 'community of dissensus'. To him, instead of 'we', the term 'I' is more likely to pervade the galaxy of speakers at a university in future as they would be more concerned with their own speaking positions rather than those of the listeners. No wonder, we find only the panelists present at some of the sessions at international conferences and a very few listeners!

It would be very difficult for the universities to master globalization or technological advancements in future. Earlier the states created 'nations of citizens' by conscripting, disciplining, monitoring and regulating their activities and above all educating them. Today the states are required to adjust their domestic policies to serve global economic interests. The universities, too, are losing their monopoly over the creation and dissemination of knowledge with the rise of multiple providers and stakeholders, on the one hand, and rise in the possibilities of self-learning, on the other. There can be no unifying thinking in the absence of Kant's *Concordia discords*, Humboldt's 'organic unity' and Habermas's 'consensual community'. Nor is it possible for an individual to grasp all the information available at a very rapid speed. It is beyond his or her capabilities to master such information alone. Rather it results into loss of belief. To Bill Readings (1999: 190-91):

One effect of globalization is to undermine the possibility of a single subject's mastering the complexities of social bond, metonymically incarnating it as a

personal relation to culture. Globalization paradoxically undoes the possibility of a single world culture (or a single world history), because the single world market it proposes is no longer predicted upon the relation of the subject to state as the point at which the system acquires meaning.

Therefore, under global economy, it won't be possible for the universities to provide the 'community of intellectuals'. At the most it would serve as one of the places where intellectual discourse can take place and certainly not the only place. Nor would it be bound by one common identity, culture or ideology. Nor would it be possible for the universities to serve the civic, cultural, social, economic and political purposes of higher education simultaneously. There would be constant conflicts between 'academic freedom' and 'public accountability', 'equity and accessibility', 'economic efficiency' and 'latest technology', 'national interests' and 'international pressures', 'knowledge for the sake of economic gains' and 'knowledge for the sake of human development', etc. In future, in the absence of common binding forces and thinking as a shared process, the universities may result into mere 'dereferralization' or 'dialogism' rather than 'dialogue' in itself.

Just as despite tall claims about the 'end of history', 'demise of nation state' or 'sovereignty', these concepts remain very much alive; similarly, despite the books, such as *The University in Ruins*; *Does Education Matter?*; *Universities in the Marketplace*; *Academic Capitalism*; *The Learning Marketplace*, the universities would survive. The university as an institution has always shown remarkable capacity to adapt and adjust to the ever-changing circumstances. A university not only has the capacity to evolve and change, it also has the capacity to help others adjust to the constant changes by transforming themselves. A university can provide its learners the possibilities of 'emancipatory praxis' by rejecting the preemptive perception handed down by the external forces and reconnection with valid inquiries of hitherto ignored socio-cultural or economic-political aspects and a peep beyond the university can provide a glimpse of a world and wondrous things yet to be!

Annexure

Table 1: Glimpses of World Higher Education Landscape

- Worldwide 84 million students attend 20,000 colleges and universities.
- 66 million adult and more than 50% of the working people participate in some form of continuing education now.
- Higher education constitutes a US \$3.2 trillion market.
- The entire developing world has only 15% of the share.
- The global demand for higher education is likely to reach 160 million by 2025.
- India and China will be the two biggest countries seeking higher education. Demand is growing at the rate of 20% per annum in India.
- *Higher education is no longer elitist. It has become more accessible now.*
- *There is an increase in the role of household, private and corporate sector in higher education.*
- We find a surge in online and for-profit private higher education.
- In 2000, global IT companies certified 1.6 million students worldwide with 2.4 million certificates in Information Technology itself.

Source: Glakas, Nicholas J. 2003. 'Trends Policies and Issues'. National Council of Higher Education Loan Programmes. Sarasota, Florida. January 9.

Table 2: Emerging Trends in Higher Education in the 21st Century

- Increased globalization and increased competition.
- Increased importance of quality human resource in knowledge-based and technology-driven economy.
- Changing nature of the labour market in the wake of globalization and information revolution.
- Surge in the demand for highly skilled and technologically competent workforce able to work under multi-cultural, multi-lingual and multi-ethnic settings in the wake of hyper-mobility.
- Declining socio-political priority of higher education as a solely state-funded activity.
- Corporatization and privatization of higher education.
- Rise in private, transnational and multinational initiatives in higher education.
- Commodification and commercialization of knowledge.
- Increase in consumption of higher education by the masses due to socio-cultural and economic importance of higher education and changing power-knowledge realm.
- Increase in the role of information and communication technologies in higher education.
- More emphasis on lifelong learning.

Source: Based upon Peters, Michael and Roberts, Peter. 2000. 'Universities, Futurology and Globalization'. *Discourse: Studies in the Cultural Politics of Education*: 21(2).

Table 3: Knowledge Revolution and Implications for Developing Countries

Key elements of knowledge revolution	Implications for the developing countries
<ul style="list-style-type: none"> • Increase codification of knowledge and development of new technologies • Closer links with science base/ increased rate of innovation/ shorter product life cycles • Increased importance of education, up-skilling of labour force and life-long learning • Investment in intangibles (R&D, education, software) greater than investments in fixed capital. • Greater value added now comes from investment in intangibles such as branding, marketing, distribution and information management. • Innovation and productivity increase more important for competitiveness and growth terms of GDP. • Constant change and completion implies need for constant restructuring and upgrading knowledge and skills. 	<ul style="list-style-type: none"> • Developing countries run the risk of being left behind as a result of increasing importance of knowledge, on the one hand, and widening of knowledge and digital divide, on the other. • They need to develop coherent strategies to deal successfully with the constant restructuring resulting from knowledge revolution. • They need to make more effective use of knowledge for their development. They need to convert their economies into knowledge economies. • They need to become the producers and exporters of new information and knowledge rather than remain as mere importers and consumers of a pre-determined content. • It is not enough to have access to latest information. There are numerous other factors that come into play in the equality of people's access, such as, education and training, language and literacy, bandwidth, web design, etc.

Source: Dahlman, Carl. 2003. 'Challenges of the Knowledge Economy for Education'. World Education Market. Lisbon. May 20.

Table 4: On Knowledge Economy

<p><i>"The powerhouses of the new global economy are innovation and ideas, creativity, skills and knowledge. These are now the tools for success and prosperity as much as natural resources and physical labour power were in the past century" –</i> David Blunkett.</p> <p><i>From: 'Modernizing Higher Education: Facing the Global Challenge', a speech delivered by the then Secretary of the UK at the University of Greenwich on February 15, 2000. para 10.</i></p>	<p><i>"The generation, application and exploitation of knowledge is [sic] driving modern economic growth. Most of us make our money from thin air: we produce nothing that can be weighed, touched or easily measured. Our output is not stock-piled at harbors, stored in their houses or shift in railway cars ... that should allow our economies in principle at least, to ... be organized around people and the knowledge capital they produce. Our children will not have to toil in dark factories, descend into pits or suffocate in mills, to hew raw materials and turn them into manufactured products. They will make their livings through their creativity, ingenuity and imagination" –</i> Charles Leadbetter.</p> <p><i>From: Living on Thin Air: The New Economy. 1999. London: Penguin. p. vii</i></p>
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Table 5: Higher Education in India: The Country Profile

Population	1,095,351,995
Territorial area	1,269,338 sq. miles
Number of states	30
Union Territories	7
Polity:	
Parliamentary Democracy and Federal System of Governance	
Education falls under Concurrent List	



Source: Gupta, Asha. *Looking Beyond Universities: Higher Education in the 21st Century* (forthcoming).

- India has the credit of running the world's third-largest higher education system.
- It has the third largest pool of skilled workforce.
- It has 348 including 62 deemed to be universities, 17,973 colleges, 11 centers for open learning, 10 million students and 0.5 million teachers (2005-06).
- About 70% of higher education institutions are privately managed.
- More than 60% of the population is below the age of 25. Only 11% have access to higher education.
- India has the middle class comprising of 350 million people willing to invest into quality education.
- Only 8% of the adults (25 & above) are continuing higher education and training.
- India provides a lucrative market for private and international stakeholders in higher education.
- Indian economy is growing at the rate of 8% per annum.
- India is one of the five-telecom giants in the world.
- In terms of purchasing power it has the fourth-largest economy in the world.
- By 2025, it is likely to become world's third-largest economy, after the USA and China.

Table 6: International Comparisons in Selected Few Countries

	GDP per capita in US \$ (PPP)	Students enrolled in HE in terms of %	Total no. of students in terms of population	Male ratio on the basis of GER in 2004	Female in terms of gender enrolment ratio in 2004	Expenditure on HEIs & admin in terms of GDP % in 2004	Private expenditure on HEIs in terms of GDP % in 2004	% of private enrolment in HEIs	Expenditure as a % of GDP in HE
USA	39,496	26	82	69	96	1.2 (2002)	1.5 (2002)	24	2.7 (2002)
Canada	32,921	19	57	49	66	1.5 (2001)	1.1 (2001)	?	2.5 (2001)
UK	28,938	14	60	51	70	0.8 (2002)	0.3 (2002)	100*	1.2 (2002)
Russian Fed.	10,179	30	68	58	79	0.6	?	11	?
Australia	29,893	18	72	65	80	0.8	0.8	1 (2001)	1.6
Germany	28,988	19	?	?	?	0.9 (2002)	0.1 (2002)	?	?
Indonesia	3,703	7.1	16	18	14	0.3	0.4 (2002)	61	0.7 (2002)
Japan	29,906	21	54	57	51	0.4 (2002)	0.6 (2002)	77	1.1 (2002)
China	5,642	8.1	19	21	17	?	?	10	?
Rep. of Korea	?	29	89	109**	67	0.3	1.9	81	2.2
India	3,080	5.1	11	14	9	0.7 (2002)	0.2 (2002)	?	0.9 (2002)

Source: Asian Strategic Group. Salzburg Seminar. Session 436. *Beyond Universities: Shifting Demographics in Higher Education*. Nov 7-12, 2006. Based upon UNESCO Global Education Database. May 2006.

* The datum is 100% but it depends on the official way of classifying resources.

** A GPI (Gender Parity Index) of 1 indicates parity between sexes. GER means Gender Enrolment Ratio.

Scenarios for European Higher Education and Recognition of Studies in 2015 [Bernd Baumgartl]⁸

5 Scenarios of EU development in the next 10 years underlie this paper on the future of higher education and research in Europe in general, and in particular their consequences for recognition of studies abroad:

Four scenarios stem from the supra-position of two continua, on the one hand between European Integration and Nationalisation, on the other between the focus on a Europe of Economic Priority (only) vs. the enhancement of a Europe of Knowledge. Scenario five, featuring partly European and partly national competences, implies the abolishment of the principle of subsidiarity for the sake of the principle of excellence in all policy fields – and a “retreat of the state”.



Each scenarios depicts first an imagined state of the Union, secondly its repercussions for higher education, and thirdly the resulting institutional choices for recognition (which at the time of writing is with NARICs⁹ in the EU, and ENICs¹⁰ in the Council of Europe/UNESCO-CEPES framework – in EU countries they are situated often in one and the same institution).

1 Scenario “Re-Nationalisation”

Scenario 1 has at its starting point the enormous impact which accession has meant for the EU. By 2015, the Union is in severe crisis. Since the accession of the first countries of Central and Eastern Europe in 2004, the uncompleted reform has meant serious f-

⁸ This paper has been posted at the web-site of the think-tank Europe2020 (Paris): www.europe2020.org/fr/section_education/index.htm

⁹ NARIC – National Academic Recognition Information Centres

¹⁰ ENIC – European Network of National Information Centres on academic recognition and mobility

nancial implications for the Commission's budget. The Constitution is still pending dead. For five years, the most recent 2 accession countries await ratification of their Accession Treaties, but since the Slovenian "No" to the Croatian entry in 2009 they are ever more unlikely to find majority in the national parliaments. "Enlargement fatigue", although not substantiated in Eurobarometre's research, is the key word of justification in the European Council and Parliament to further delay Macedonia's accession negotiations. At the same time, the reduced funding to the old Member States of the EU-15 has provoked a ferocious opposition from the population. Conservative governments, during their presidencies in the first half of the 2010 decade, have slowed down the integration process, and several policy domains are being nationalised – and obviously no new competences have been assigned to the European level. The most visual consequence of widespread Euro-scepticism has been the abolishment of the Euro and the re-introduction of national and regional currencies in 2012.

European education and science have been amongst the victims of a blocked reform, and already in the Košice Treaty agreed during the Slovak presidency in 2010 education had been close to completely eliminated from the Commission's agenda through referenda in 8 Member States. DGs EAC and RTD (education and research respectively) were merged as part of the "Grande Réforme" of the Commission in 2009, and their staff drastically reduced. The tasks still carried out limit the CEC to an information point, where information produced by the Member States is processed, harmonised and made available. CEC staff provides the structures for national reporting, function as a clearinghouse and run a data warehouse for education provision at national level. The special agencies set up during the 1990s had been closed, and the Commission since FP 8 – which delegated decision-making on priorities and selection of projects to the National Science Boards – commissions only research related to its own agenda and needs (which are very modest).

However, the internationalisation of education and research has continued meanwhile – albeit at a much slower pace than anticipated in the Bologna Process. It mainly took the form of export of programmes from prestigious and successful universities to other countries. Due to a demographic decay resulting in less applicant students (especially in the 12 New Member States), the surviving universities see an increasing number of foreign students, and in the absence of a common European framework, recognition of certificates awarded by universities under Member State legislation is a major issue. Especially the joint curricula agreed between some individual universities across national borders stimulate mobility, despite the ongoing difficulties to nostraficate periods of study and degrees.

NARICs are more active, and produce guidelines and country reports for foreign students. Exchange at the European level has remained at the same level as at the beginning of the millennium, and an upgraded ICT use via a communication platform takes place – it had been the last EU-funded activity in 2011. Non-virtual networking is organised by the NARICs of the respective EU presidency, and paid for by the Member States as the main (and only) communitarian educational activity of each presidency.

2 Scenario “Self-Governance”

The second scenario is based on an integrating EU, which however limits itself to its re-affirmed “core competences”, i.e. economic and monetary integration. The reinforcement of the principle of subsidiarity had exacerbated the cleavage between policy areas within EU responsibility, and those where the Commission is explicitly excluded. Following the recommendations of the Convention, the Treaty of Plovdiv in 2012 had in fact led to the abolishment of national Ministries of Finance, Foreign Relations, Economic Affairs, Transport, Environment, and also National Banks – by creating European Ministries for the whole Union based on the results of the elections to the European Parliament. In contrast, other policy areas like Social Policies, Culture, Agriculture, Education and Sports are being dealt with exclusively at national level.

On the one hand, the complete abolishment of borders, tariffs and other barriers, and the worldwide success of the Euro as a lead currency, has meant a stimulus for transnational research and education in Europe; but these developments take place in the Schengenland/Euroland only – and entirely outside of any EU-driven input or regulations: institutions and networks are the carriers of transnational activities which are self-governed and managed by the institutions’ stakeholders. A competition between national education systems and universities, and the concomitant marketisation of education has meant a boost for the whole sector, which now relies on solid funding from diversified sources. While some small universities were forced to close down in the middle of the 2000s, others have grown into flexible and well-managed entities, often run by CEOs recruited from business. Like in China, the population recognised the remarkable return on investment of education, and in 2010 the average European family spends 8-12% of their income on lifelong learning. The increased cash flow in the sector has attracted banks and insurances, and despite the absence of direct EU funding – or due to the availability of these funds for other initiatives – non-governmental education actors have flourished.

The EUA, since it became the guardian of the UNESCO Bologna Convention in 2010, has taken over many coordination functions in Higher Education previously assigned to the Commission. Its main leitmotiv is “Networking the Networks” or “System of Systems”. Similar agencies exist in all educational sub-sectors, and for different research disciplines. Scientific associations (like the ECER for education) are important, though constrained to rely on a very unequal financial support. Corporate sponsoring of education is limited to economically viable themes, and soft-policy subjects are under-resourced. In the spirit of the Bologna Convention, European Consortia of universities award joint degrees, and the EU only finances research and education on an ad-hoc basis via pre-defined projects and infrastructure. The resulting fragmentation of education means a separation of sub-domains, and few synergies exist between Higher Education, General Education or Vocational Education and Training. At the same time, a rich fauna of communities of interest and practice emerges and disappears flexibly, according to funding provided.

National NARICs ceased to exist at the beginning of 2009, due both to the increasing overlap between NARIC and ENIC competences, and the fact that the issue of recognition was assigned to the strengthening of the **ENIC** network within a reinforced Council of Europe. The EUA hosts yearly conferences on transnational recognition (often co-financed by the Council of Europe), and regional networking between autonomous universities, but this is organised by educational and scientific sectors. Recognition, although strong in some fields, and weaker in others, is following the universally accepted UNESCO rules.

3 Scenario “Mega-Centres”

This scenario foresees the implementation of the concept of “European Excellence” in all policy domains – substituting the principle of subsidiarity. Rather than functioning as a government, the European Union institutions and actors aim at supporting Europe’s institutions, companies and actors with international standing to become more competitive on the global market. Not unlike a programme to develop gifted children (and completely opposite to the idea of Equal Opportunities), Community action and budget is reserved for the big or the smart players. Instead of dispersing budget and impact via myriads of small grants and projects, a leaner Commission is fostering the success of those most likely to succeed. In the educational field, this leads to the creation of a comprehensive (i.e. EUR-48) European Education and Research Area.

In the spirit of the Eighth Framework Programme, and Socrates 4, education is now tuned by the parallel introduction of identical study programmes at universities in the Member States. The incentives provided by the EU programmes have created a number of huge and powerful Centres for Education and Research (European Knowledge Centres – EKC), which act as coordinators of European programmes and projects. They attract the best researchers and teachers from national universities that face huge budget constraints. Starting from FP 8, every 5 years each of the domain-specific Centres issues a research and education guideline, and invites for proposals from minor universities. The European budget allocated to each centre is then distributed according to the priorities agreed for each scientific domain. Inter-disciplinarity and policy relevance has become a four-letter word. Major higher education players run European scientific disciplines (e.g. the European University Institute in Florence – European Political Sciences, the London School of Economics – European Economics, the MPI-BF or University Bremen – European Education Sciences, etc). There are less EU officials in DG Research, and the EKCs decide on programming and distribution themselves.

National NARICs have been abolished for the sake of the European **DORICs** (Domain-specific Recognition and Information Centres), which are usually located in the same country as the EKCs. They deal with recognition but have limited – and decreasing – influence and scope, due to the existence of multi-lateral agreements between EKCs and their affiliated universities as conditionality for EU funding.

4 Scenario “Europeanisation”

This scenario assumes the undertaking of serious measures to implement the “Europe of Knowledge”. The policy goals agreed in Feira, Lisbon and Gothenburg had been brought forward, and the Estonian presidency 2011 had selected “Structuring European Knowledge Development and Mutual Learning” as the main priority for the EU integration and enlargement. Instead of economic competitiveness, the shared objective of democratisation of the EU and good governance is the manifest priority. Hence, enhanced attention for social policy and life quality. Boosting of lifelong learning and knowledge development to underpin the policy objectives resulted in the need to draw on - and recruit - substantial expertise from the academic community into EU management and policy-making. A vivid exchange between policy and research and civil society is managed with powerful electronic fora, and means for participation by citizens.

As a consequence, the Commission also initiated the careful “Europeanisation” (i.e. attracting and absorbing ever more competencies at the EU level) of the Bologna Process, and embarked on an ambitious re-structuring of European Knowledge Development – through the re-grouping, re-shaping, re-focussing of programmes, agencies, institutions and networks. The convincing step towards “Unionisation” was the designation of powerful institutions funded by EU budget for its implementation: **EURIC + EUKNOWS** as twin institutions for European education and research, with their outlays and windows in all European countries.

EURIC (founded in 2012 – with its seat in Bucharest) stands for a comprehensive clearinghouse and coordinator of all educational matters in the European Education Area, instead of previous agencies and networks on recognition, mobility, system monitoring, and quality assurance. By 2009 the ex ENIC, ex CEDEFOP, ex NARIC, ex Eurydice, ex ETF, ex EURES, and ex ENQA, ex-EUA had become new departments of EURIC. It covers all educational sub-domains from pre-school to lifelong learning, and certifies primarily short-term studies, experiences from prior learning on-the-job, and distance education certificates into EU professional and academic grades.

EUKNOWS (located at Dobris Castle near Prague) is assigned the task to enhance the Europe of Knowledge: a European Knowledge Development Support Centre to coordinate European Centres of Excellence and to support European Research Networks in European the Research Area. It maintains antennas in all European regions, the Knowledge Resource Centres, and guides European Learning Processes supported with the new European Framework Programme for Research and Knowledge Development.

NARICs, like other educational actors and institutions proved superfluous in European Higher Education Area as a separate European network (and their tasks now sit with the RID – Recognition and Information Department on extra-European studies and diplomas – within EURIC).

5 Scenario “Privatisation”

The last scenario stems from the assumption of a general “retreat of the state”. Both on national and EU level, government has become less important. Like in the Italy of Ber-

lusconi at the beginning of the decade, all states have continued their privatisation and de-regulation policies started in the 1990s, and powerful corporate and commercial interests have taken over the leading role in most policy fields. Governments have become increasingly a curative supplement to the market, and regulate mostly social aspects of life – those the “invisible hand” fails to address. Also the Commission spends most of its budget on “Providing the Framework for European Business”, policy areas like security, control, and policing on the one hand, and unemployment and poverty reduction. The sharp polarisation amongst European populations has led to a reinforced – and closely monitored – Schengen 3 Agreement of 2008, which assigns Europol significant budgets and powers. Major budgetary decisions for the Commission budget and EU programmes are now regulated by the European Central Bank (ECB) as policy is subordinate to the overall targets of economic growth and prevention of inflation, and instead of EU Regulations and Directives, the European associations of firms and multi-national companies negotiate economic rules in the form of “binding voluntary agreements”.

In the education field, the failure of living up to the priorities of good governance, lifelong learning and the Europe of Knowledge has resulted in a close to complete privatised European knowledge management and research. Corporate influence in educational institutions has skyrocketed. The Europe of Knowledge, though an uncompleted policy intention, has become a realised commercial activity. In the climate of de-politisation of education, MNCs run the most prominent universities (e.g. the former Humboldt University now re-baptised Daimler-Chrysler Academy). The growing importance of corporate certificates like “Nokia software programmer level 4” has substituted academic titles on the labour market. The GATS framework is often used by USA-based universities to challenge European legislation – arguing against protective measures and claiming that education is just another commodity. Their subsidiaries have taken over 24% of the European Higher Education market, especially on the upper end of quality and income. Also in the EU, the privatisation of certificates and degrees, and the withdrawal and refusal of states to regulate increasingly economic considerations and competition had been legally sanctioned (e.g. the 2013 over-arching “freedom of competition principle” which had been ruled by the new European Court of Justice and Competition of higher relevance than the right of member states to regulate education).

Of course, accreditation and recognition are crucial in such a marketised environment, and the **CARICs** – Career Advancement Recognition and Information Centres, in most cases units of the European Branch Chambers of Commerce – translate specific skills and corporate or private certificates awarded in one corporation, branch or sector into accepted categories in other economic branches. The European network of CARICs has its seat at the European Chamber of Commerce and oversees production of career space documents, transferable eportfolios, compilation of corporate academy guidebooks and provides individual educational consumer advice – against a fee.

Higher Education and Demography

Demography: Risks and Opportunities for European Higher Education [Fatma Mizikaci]

Demography matters

Key policies of education are determined by the structure or age composition of the population. Almost half of the world population will be under 20 having majority of it in underdeveloped or developing world i.e. Africa, Sub Saharan Africa and East Asia. There are about 1 billion young people who ought to have higher education. In order to meet this need developed region universities are ideal places. American universities are already facing a storm, and seem to be more attraction centre while European higher education is having lower participation rates and the region itself is losing young population.

This paper aims to examine the impact of demographic changes on higher education in Europe. On the first stage an analysis of changes in different age layers is given in line with the trend scenarios. Then, migration, mobility, curricula, program adaptation and structural changes in higher education management are examined as potential outcomes of the population change. Relevant discussion along with recommendations is also presented.

The discussion in this paper is limited to several factors. In such a big region as European Union it is inevitable to have country population trends make differences in population assumptions and projections. It is also likely to occur errors in any analysis that for example, Malta, Luxemburg and Estonia with small populations might well affect calculations.

The pace and dynamics of population growth is crucial to education planning. The size of the school-age population, the potential demand for education, creating classroom space and recruiting teachers affect educational decisions. Furthermore, regional fertility rates, density of migratory flows, geographic distribution of population will directly be influential on the decisions of education cost, school types, school mapping, and employment. The distribution of the working population by economic sector and by levels of qualification designates the labour needs so as to determine the goals of higher education.

However, the challenges of population growth of the regions, mainly Asia and Sub-Saharan Africa, which hold more than half of the world population is likely to occur opposite in Europe and other developed regions of the world.

The developed world is witnessing an enormous decline in fertility rates that has occurred in the past half century. Among the ten largest high-income countries, only the United States has fertility rate close to the replacement level. Populations in EU-27 countries failed to reproduce themselves over a prolonged period with a fertility rate of less than 1, 5 in 2003. A serious shrink in the *natural population increase* resulted in 0.04% per annum in 2003 (Communication from the Commission, 2005). The drop in fertility

took place firstly in Northern and Western Europe, and was followed by Southern Europe with almost a 10-years delay and with a 20-years delay for Central Europe. Fertility rate in Southern and Central Europe is today lower than in Western and Northern Europe. In parallel, important gains in life expectancy at birth have been realised between 1960 and 2002 in most of the EU countries. The average life expectancy of women is higher than 80 while it is 75 that of men. All these changes resulted in declines in the annual population growth from 3.4 million per year on average to 1.3 million. Only with higher migration rates annual population growth has reached to an average of 1.8 million in the last four years. Projections estimate a 13 million increase resulting from immigration over the next two decades population (Eurostat). However from 2025 on, the immigration will not be enough to replace the natural population growth and a decrease will be observed. According to EUROPOP 2004 scenario, the EU27 countries population in total, added 39,710 people from net migration, will decrease to 448,174 in 2051 from 456,815 in 2004 (Lanzieri, 2006).

The population in Europe will age significantly over the next fifty years and the size of the young age group will decrease after 2025 (Communication from the Commission, 2005). In 2050 it is expected that the total population will be 462 million out of which 69 million is 0-14 aged and 133 million is over 65 aged (Table 1).

Table 1 . EU-27 population projections by age groups (millions) - medium variant

Age group/year	2005	2015	2025	2050
0-14	76	71	70	69
15-64	317	315	302	261
65+	79	91	107	133
Total	472	478	479	462

Source: UN Population Division 2004 Revision

Studies on demographic trends lead to measure possible (negative) effects of decreasing populations in relation with the economics of ageing. A tremendous fiscal crisis is projected in ageing societies (Jokisch, 2006). The question raised is how to return the burden state pensions and health-care benefits to elderly. Options of increasing immigration, new social security systems, and policies to lessen the effects of market meltdown are also among the discussions of likely impacts of demographic changes.

Demography in Europe will have also a significant impact on higher education. Population projection in the EU-27 countries together with candidate and accession countries speak a clear language: data on fertility rates, migration and mobility combine and coincide in a shrinking youth population over the next 50 years. In many countries the rate of elderly population is increasing faster than fertility rates. Populations in the EU-27 countries failed to reproduce themselves over a prolonged period with a fertility rate of less than 1.5. European universities, who traditionally educate students aged 18-25, will obviously be affected from the reduced numbers of their traditional target group in the long term.

At present gross enrolment ratio in higher education is 52% in Europe; 81% in the USA; 82% in Korea; 49% in Japan and 59% in Canada. Europe has fallen behind in the rates

of higher education graduation among working population: 21% in Europe; 38% in the USA; 43% in Canada; 36% in Japan and 26% in Korea (3rd EUA Convention 2005).

Changing age structures and higher education populations

Young Population

In EU27 the share of the young population is decreasing. In 2004, the population aged up to 14 years made up 16.5% of the total population compared with 18.8% in 1993. The population aged 15 to 24 years had a share of 12.7% in 2004 as against 14.5% in 1993. The population aged 25 to 49 years represents more than one third of the total EU population: 36.5% in 2004. From 1993 to 2004, the share of the population aged over 50 years increased all over the EU (Lanzieri, 2006).

In developing countries, 6 out of every 10 persons are older persons today, by 2050, 8 out of every 10 will be so. Shrinkage in the younger population is caused by persistent level of low fertility. As the proportion of older people increases that of younger persons declines. The youngest populations will be found in least developed countries, 11 of which are projected to have median ages equal to or less than 23 years in 2050, including Afghanistan, Angola, Burundi, Chad, the Democratic Republic of Congo, Equatorial Guinea, Guinea-Bissau, Liberia, Mali, Niger and Uganda. On the contrary, the oldest population will be found in the EU countries having a median age of 47.1. Among the EU-27 and candidate/accession countries, median age by 2050 will be 50 or over in Czech Republic, Italy, Latvia, Lithuania, Austria, Poland, Slovakia, Slovenia, Bulgaria and Romania while the youngest median age will be observed in Turkey as 39.5. Italy is getting older fastest of all with 52.2 median age in 2050 (World Population Prospects, 2004). The impact of the demographic changes on education is, however, hardly ever conferred. The prospects of ageing societies equally means scarce of young population.

18-23 age cohort

According to the World Population Projections (2004 revision), majority of the EU-27 countries will witness a decrease in the population of 18-23 age group by 2050 except Denmark, Luxemburg, Sweden and the UK where small number of expansion will be observed. The severest decline will be observed in Estonia, Latvia, and Slovenia where more than half of the 18-23 age group in 2005 will disappear in 2050. For example, the number of people in the given age group will decrease from 127,000 to 67,000 in Estonia, 217,000 to 88,000 in Latvia and 160,000 to 84,000 in Slovenia over 45 years. Czech Republic, Greece, Lithuania, Hungary, Poland and Slovakia will also have higher decline in the numbers of the same age group (Table 2).

Table 2. EU-27 and candidate/accession countries 18-23 aged population projections (thousands) - medium variant 2005-2050

Country	2005	2010	2020	2030	2040	2050
Austria	591	585	501	456	469	462
Belgium	745	751	702	662	664	661
Bulgaria	644	582	376	360	307	268
Croatia	368	334	276	245	238	217
Cyprus	78	81	68	71	76	76
Czech Republic	805	768	538	550	501	447
Denmark	347	395	429	389	405	429
Estonia	127	119	72	83	78	67
Finland	396	393	360	346	368	352
France	4 662	4 526	4 481	4 399	4 198	4 111
Germany	5 959	5 923	5 117	4 616	4 980	4 994
Greece	859	727	672	639	602	598
Hungary	766	754	698	548	508	472
Ireland	382	337	329	391	343	332
Italy	3 576	3 424	3 291	3 121	2 679	2 756
Latvia	217	208	110	121	112	88
Lithuania	321	329	189	176	173	136
Luxembourg	29	33	37	39	42	46
Malta	36	34	28	27	28	27
Netherlands	1 128	1 204	1 220	1 099	1 109	1 155
Poland	3 906	3 322	2 289	2 185	2 021	1 709
Portugal	799	704	718	682	636	650
Romania	1 975	1 885	1 282	1 180	1 038	920
Slovakia	520	472	331	303	281	243
Slovenia	160	139	108	102	93	84
Spain	3 222	2 629	2 548	2 836	2 341	2 260
Sweden	650	743	604	646	707	677
Turkey	8 148	7 994	8 599	8 425	8 135	7 772
UK	4 665	4 981	4 536	4 308	4 753	4 831

Source:

Eurostat, Europe in Figures, 2005; World Population Prospects: the 2004 Revision.

Given that the new member countries, Bulgaria (from 644,000 in 2005 to 268,000 in 2050) and Romania (from 1,975,000 in 2005 to 920,000 in 2050) seem to have significant decrease in the young population comparing to the accession countries Croatia and Turkey where slighter decreases will be observed as well.

If a country faces a decrease of more than half of the 18-23 age population over 45 years it is in the high risk group countries in terms of losing higher education population to a great extent. Among EU-27 and candidate countries, Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovenia, Slovakia, Bulgaria and Romania are risk group countries (Table 2).

0-14 age cohort

Europe is becoming a childless society. The term *childlessness* is used to describe a society where majority of women have never had child bear in their life (Sobotka, 2005). The number of childless women is increasing. The fertility rate in the EU-27 was less than 1.5 in 2003 which is well below the replacement rate of 2.1 per woman (Communication from the Commission, 2005). Projections reveal that 0-14 age population will decrease severely to 13.4% in 2050 while it was 16.4% in 2004. With zero migration 0-14 age population will decrease from 70,525 in 2004 to 51,415 in 2051. When migration is counted these figures will be 71,768 and 60,412 respectively (Lanzieri, 2006).

On the other hand, slight increases in 0-14 age group will be witnessed only in Ireland, Luxemburg, Sweden and the UK (Table 3). Among all EU-27 countries, Belgium, Italy, Lithuania, Poland and Slovakia are witnessing higher decline in the same age group. Especially in Slovakia and Lithuania the percentage of decrease will be considerable; from 16.7% in 2005 to 12.7% and 13.2% in 2050, respectively.

Given the new member and accession countries, Bulgaria, Croatia and Romania will be affected by the severe decrease in the 0-14 age population while Turkey will have slighter drop off comparatively.

As 0-14 age cohort is considered the primary educational population, a decrease- due to low fertility - over 5 year-intervals projections is an indicator for decreasing educational composition (see Table 3).

Table 3. EU-27 and candidate/accession countries 0-14 aged population projections (thousands) - medium variant 2005-2050

Country	2005	2010	2020	2030	2040	2050
Austria	1 270	1160	1 097	1 115	1 090	1 094
Belgium	1 751	1 679	1 638	1 613	1 590	1 571
Bulgaria	1063	968	875	748	683	652
Croatia	706	654	611	577	537	531
Cyprus	166	157	168	174	178	186
Czech Republic	1 496	1 362	1 319	1 185	1 102	1 116
Denmark	1 022	988	931	989	1 006	975
Estonia	202	193	205	184	173	177
Finland	907	857	859	880	834	819
France	10 991	11 066	10 691	10 287	10 149	9 936
Germany	11 825	11 095	10 797	11 390	11 345	11 731
Greece	1 592	1 554	1 464	1 396	1 415	1 466
Hungary	1 589	1 444	1 316	1 221	1 151	1 133
Ireland	837	897	934	844	862	891
Italy	8 144	7 966	7 139	6 571	6 748	6 684
Latvia	339	300	306	265	229	231
Lithuania	574	477	458	416	347	338
Luxembourg	88	90	94	104	114	120
Malta	71	65	66	67	63	63
Netherlands	2 965	2 869	2 649	2 726	2 758	2 673
Poland	6 294	5 650	5 393	4 791	4 267	4 237
Portugal	1 667	1 670	1 570	1 505	1 556	1 542
Romania	3351	3146	2857	2499	2307	2243
Slovakia	903	797	738	664	595	584
Slovenia	274	260	243	219	206	207
Spain	6 177	6 576	6 486	5 545	5 757	6 070
Sweden	1581	1482	1588	1661	1592	1620
Turkey	21361	21539	20984	20209	19145	18 275
UK	10699	10240	10293	11177	11044	11021

Source:

Eurostat, Europe in Figures, 2005; World Population Prospects: the 2004 Revision.

Given the population projection by several resources, by the year 2050 in the EU-27 countries following results will be witnessed:

- Persistent low fertility will continue
- The natural population growth will shrink
- Increase in life expectancy and older age dependency ratios will continue
- The 65 over age population will increase
- The younger population will decline
- The working age population will decline

- Positive net migration will contribute to the population growth
- Positive net migration will not be enough to reach replacement level

This trend will produce a slowdown in education participation rates and consequently in labour market input. In certain occupations labour shortages and pressure on the sustainability of employment is likely to be observed. Population projections about developed regions show decline in fertility rates and increase in older age population. Between the 2025 and 2050 period a decline of 20 million will be observed and population decrease will be 1.5% during the overall period of 2004 and 2050 (Europe in Figures, 2005 World Population Prospects, 2004 Revision; Lanzieri, 2006). Population growth rates are negative in many European countries such as Estonia (-0.5%), Hungary (-0.4%), and Ukraine (-0.4%). If the growth rates in these countries continue to fall below zero, population size will decline by 2050 (Human Population, 2006). Many countries in Europe are among those who will severely suffer from the results of population shrink. Challenges ahead have already started influencing the future planning and policies at European level and by individual countries.

It is projected that some higher education systems in Europe are under the high risk of closure or setback while others are under medium risk due to population falling. Responsiveness of higher education systems to these demographic changes and possible compensation strategies through migration and mobility is discussed. This, as an end, requires structural changes in the systems.

On a global scale, Europe (and the developed world) is the exception to the opposite trend. In Salzburg, Ossi Lindqvist rightly raised the question if Europe is setting a trend which will hit the (now developing) countries as well - with a few decades delay. For Turkey this is already evident: continuing growth for the next couple of decades, and decline around the first third of this century. There are about 1 billion young people who ought to have higher education. Universities in countries of a need for more higher education are not in a position to meet this growth. This may become a task for European universities.

Migration of Potential Students as a Counter-Development?

Only due to higher immigration rates the annual population growth in the EU has been maintained so far. During 2000-2005, Europe's net annual gain was 1.1 million (International Migration, 2006). The total net migration into the EU-27 Member States increased from 1,707,000 in 2002 to 2,092,000 in 2003. The scale of net migration varies markedly between the different EU Member States.

The 10 countries that joined the EU in 2004 generally experienced much lower rates of net migration. All the EU-15 Member States recorded positive net migration in 2003. In contrast, three of the new Member States – Latvia, Lithuania and Poland – recorded negative net migration, while a fourth – Estonia – reported zero net migration (Europe in Figures, 2005, and Table 4 on the next page).

Table 4. EU-27 and candidate/accession countries net migration rates* projections (thousands) medium variant 2005-2050

Country	2005-2010	2015-2020	2025-2030	2035-2040	2045-2050
Austria	2.4	2.4	2.4	2.4	2.4
Belgium	1.3	1.3	1.3	1.3	1.3
Bulgaria	-1.3	-1.4	-1.6	-1.7	-1.9
Croatia	2.2	0.0	0.0	0.0	0.0
Cyprus	5.8	5.3	4.8	4.5	4.3
Czech Republic	1.0	1.0	1.0	1.1	1.2
Denmark	2.2	2.1	2.1	2.1	2.1
Estonia	0.0	0.0	0.0	0.0	0.0
Finland	1.5	1.5	1.5	1.5	1.5
France	1.0	1.0	0.9	0.9	0.9
Germany	2.7	2.4	2.4	2.5	2.5
Greece	3.1	3.1	3.1	3.2	3.2
Hungary	1.0	1.0	1.1	1.1	1.2
Ireland	4.7	4.2	3.9	3.7	3.5
Italy	2.1	2.1	2.1	2.2	2.3
Latvia	-0.9	-0.9	-1.0	-1.1	-1.2
Lithuania	-1.2	-1.2	-1.3	-1.4	-1.5
Luxembourg	8.3	7.4	6.7	6.1	5.6
Malta	2.5	2.4	2.3	2.3	2.3
Netherlands	1.8	1.8	1.7	1.7	1.7
Poland	-0.4	-0.4	-0.4	-0.5	-0.5
Portugal	4.7	3.7	3.2	3.2	3.2
Romania	-0.9	-0.2	-0.3	-0.3	-0.3
Slovakia	0.4	0.4	0.4	0.4	0.4
Slovenia	1.0	1.0	1.1	1.1	1.2
Spain	2.8	1.4	1.4	1.4	1.4
Sweden	2.2	2.1	2.1	2.0	2.0
Turkey	-0.1	-0.4	-0.3	-0.3	-0.3
UK	2.2	2.1	2.0	2.0	1.9

Source: Eurostat, *Europe in Figures, 2005*; *World Population Prospects: the 2004 Revision*.

*Net migration rate: the number of immigrants minus the number of emigrants over a period, divided by the person-years lived by the population of the receiving country over that period. It is expressed as net number of migrants per 1,000 population.

In some countries net migration projected reinforces population growth and in others, it reverses the trend of population decline (Austria, Croatia, Germany, Greece, Italy, Slovakia and Slovenia).

However from 2025 on, immigration will not be enough to sustain the natural population growth and a decrease will be observed. In some countries net migration projected reinforces population growth and in others, it reverses the trend of population decline (Austria, Croatia, Germany, Greece, Italy, Slovakia and Slovenia). Countries receiving immigration will replace the higher education population which is naturally shrinking. However, those countries that have no natural population growth due to low fertility and are at the same time major senders of immigrants to other countries are under severe risk of contraction of higher education institutions, stagnation in education market as well as in labour market, and finally small economic growth. Today it looks unlikely (and undesired?), that increased immigration can compensate the potential loss of enrolment in higher education. Subordinately, other concerns spring to mind: Can the migrants really replace the native students in universities? Are schools ready to enrol their majority of learners as foreigners? Are university curricula responsive to migrant needs? Are universities ready to open their doors to foreign staff?

2050: Scenarios for higher education

...yet, so much of education is still determined by short-term thinking – preoccupation with pressing immediate problems or simply seeking more efficient ways of maintaining established practice (Think Scenarios, Rethink Education OECD, 2006).

Using the population projection data on age groups and migration a typology of projected higher education in 2050 has been developed (Table 5). According to this classification, by 2050 many countries, except Denmark, Luxemburg, Sweden and the UK, will hardly be enrolling natural population in higher education. The number of students in tertiary education in the EU-27 in 2002/03 was 17 million with a percentage of 25 in 18-24 aged population. (Andren, 2005). Finland has the highest proportion of tertiary students relative to population among EU countries. Only Finland and Sweden have enrolment rates in higher education above or at the same level as the United States. Due to labour migration, countries like Germany, Denmark, Spain, France, the UK and Ireland will continue to host second generations of migrants enrolled in tertiary education. Greece, Cyprus, Luxemburg, and Portugal are also among the countries having high positive migration. According to our study, countries whose higher education is under risk are mainly the eastern block countries where the risk is due to low fertility rates and negative migration ratios: Bulgaria, Czech Republic, Estonia, Italy, Latvia, Lithuania, Poland, Romania, Slovenia, Slovakia, and Croatia.

Table 5. European Higher Education 2050 with respect to demographic change and migration - EU-27 and candidate/accession countries

Country	Decrease in 18-23 aged population*	Decrease in 0-14 aged population*	Migration sender**	Migration receiver***	Higher education under risk
Austria	Medium	Medium		High	
Belgium	Medium	Medium		High	
Bulgaria	High	High	High		High
Croatia	Medium	High	0.0	0.0	High
Cyprus	Medium	Increase		High	
Czech Republic	High	Medium		High	High
Denmark	Increase	Medium		High	
Estonia	High	Medium	0.0	0.0	High
Finland	Medium	Medium		High	
France	Medium	Medium		Medium	
Germany	Medium	Medium		High	
Greece	Medium	Medium		High	
Hungary	Medium	Medium		High	
Ireland	Medium	Increase		High	
Italy	Medium	High		High	High
Latvia	High	High	High		High
Lithuania	High	High	High		High
Luxembourg	Increase	Increase		High	
Malta	Medium	Medium		High	
Netherlands	Medium	Medium		High	
Poland	High	High	Medium		High
Portugal	Medium	Medium		High	
Romania	High	High	Medium		High
Slovakia	High	High		Medium	High
Slovenia	High	Medium		High	High
Spain	Medium	Medium		High	
Sweden	Increase	Increase		High	
Turkey	Medium	Medium	Medium		Medium
UK	Increase	Increase		High	

Source: Developed by Fatma Mizikaci

NOTES: *Decrease in 0-14/18-23 age population**: more than half=high; less than half=medium; *Migration sender***: -1% and above =high;-1% and below= medium; *Migration receiver****: 1% and above =high;1% and below= medium

Low fertility rates cause a shrinkage primarily in the 0-14 age cohort by 2050: This age group is declining in majority of the countries but severely in Italy, Latvia, Lithuania, Hungary, Netherlands, Austria, Poland, Slovakia, Bulgaria, Croatia, Romania and Turkey by 2050. The 0-14 age group is the built up of future higher education population. A decrease in this age group is prospected as decrement in further higher education population i.e. after 2050 (Table 5).

The 18-23 age cohorts, which are considered as future higher education population, show a gradual decline by 2050 in Czech Republic, Estonia, Greece, Italy, Latvia, Lithuania, Hungary, Poland, Slovenia, Slovakia, Bulgaria and Romania. Czech Republic and Esbnia will witness the fall more rigorously in this age group. In six countries (Latvia, Lithuania, Poland, Slovakia, Bulgaria and Romania) both age cohorts -0-14 and 18-23- are decreasing in high levels. Medium decrease in both age groups is observed in the rest of the countries.

According to this classification, by 2050 many countries, except Denmark, Luxemburg, Sweden and the UK, will hardly be enrolling natural population in higher education. Due to labour migration, countries like Germany, Denmark, Spain, France, the UK and Ireland will continue to host second generations of migrants enrolled in tertiary education. Greece, Cyprus, Luxemburg, and Portugal are also among the countries having high positive migration.

Over 45 years some of the countries will continue to be the high receivers of immigrants from other countries. These are Denmark, Germany, Greece, Ireland, Italy, Cyprus, Luxemburg, Malta, Austria, Portugal and the UK where the net migration rates¹¹ are 2.0 and above.

Migrants contribute to educational demand and supply and social dynamism as well as the economies of countries of destination. It is a fact that many of the EU-27 countries owe their present and future population stability to migration. Governments are recognizing the need and benefits of immigration despite restriction and obstacles in implementation. In the EU-27 countries the percentage of foreign citizens in higher education is more than 5% wherein the best performer countries are Austria, UK and having more than 10% (2001).

Countries receiving immigration will replace the higher education population which is naturally shrinking. The second generation of the migrants will obviously have a positive effect in population growth thus participation in tertiary education. However, those countries that have no natural population growth due to low fertility and at the same time major senders of immigrants to other countries are under the risk of contraction of higher education institutions, stagnation in education market as well as in labour market, and finally small economic growth. However, it continues to be a question still whether immigration can compensate higher education. Subordinately, other concerns come:

- Can the migrants really replace the native students in universities?
- Are schools ready to enrol their majority of learners as foreigners?
- Are university curricula responsive to migrant needs?
- Are universities ready to open their doors to foreign staff?

¹¹ Net migration rate: the number of immigrants minus the number of emigrants over a period, divided by the person-years lived by the population of the receiving country over that period. It is expressed as net number of migrants per 1,000 population (World Population Prospects definition).

Challenges Ahead and Potential Ways Out

Can mobility compensate decreasing student numbers in higher education?

At the national and institutional levels facilitating academic mobility is one way to keep the higher education alive. For the present and projected cases in Eastern European countries it is remarkable that the majority of countries under risk are also “HE export” countries, sending students and academic staff abroad rather than “importing” foreign students or staff. Even more: the number of outgoing students is increasing every year while incoming student numbers have been declining over the years.

The ageing society

In such ageing society societal and sector needs will create and/or improve the programs and vocational trainings related to health and elderly issues. For example, the health sector will need more professionals and skilled workers in elderly issues, health services and care houses. Programs on elderly issues, medicine, health vocational education, public services, lifelong learning will also gain more importance. Finally, students beyond the traditional student age 18-24 years will be enrolling in HEIs as well.

Are European universities ready to accommodate migration and mobility?

Demographic changes seem to have an impact on the HE institutions as enrolling less native more foreign students and staff in the future. Non-native population in higher education will come from two sources; migration and mobility programs. This will require changes in the present structures:

- more flexibility and openness to the world in teaching/learning;
- broader access for world students and academics;
- differentiation in quality and excellence;
- managing communication and diversity; and
- coordination/organisation at the European level.

Only those HE institutions which will provide the successful integration of immigrant and foreign students will be able to cope with the remarkable impacts of demographic changes in Europe. Present policies and tendencies of EU-wide and national higher education acknowledge internationalization and flourishing mobility through reforming university structures. Transforming universities into the internationally competitive systems is the major issue not only for competitiveness but also for coping with negative impacts of demographic changes in Europe.

Outlook

Key policies of education are determined by the structure or age composition of the population. Changes in cohorts and age compositions determine the school age population thus potential demand for education. Plans for schooling, the number of students, teachers and education staff are built on the population projections. The pace and dy-

namics of population growth is crucial to education planning. The number of future births will affect the number of pupils or students to be accommodated at every level of the education system each year and on the rate of construction or contraction of new educational infrastructure. A fall in the number of pupils due to falling birth rates or to migration is crucial for education planning. Such patterns can lead to a policy shift in regard to school closure or redeployment. The size of the school-age population, the potential demand for education, creating classroom space and recruiting teachers affect educational decisions. Furthermore, regional fertility rates, density of migratory flows, geographic distribution of population will directly be influential on the decisions of education cost, school types, school mapping, and employment. The distribution of the working population by economic sector and by levels of qualification designates the labour needs so as to determine the goals of higher education (Bella & Belkachla, 2006).

In parallel, demographic trends feature the relationship between higher education and population and their resulting effects on enrolment trends, schooling and entry into labour market. A decreasing young population directly refers to the balance of educational demand and supply thus schooling policy reforms. Shrink in population growth may have severe long-term results posing considerable challenges associated with economic, political, social and cultural issues. Regarding higher education, main (mostly negative) effects of the population shrink on the systems can be summarized as decrease in 1) the number of students, scholars and educational staff; 2) demand/access for higher education (participation rates are already low) 3) supply to labour market; 4) meltdown in education market; and 5) quality increase.

Much is still unknown about how population shifts will affect the education, economy, social structure and political decisions. Particularly some issues related to education, labour market trends and employment need to be addressed more seriously. Demographers and educationalists have a large body of work to synthesize. Future educational strategies, higher education related policies and implementations will be shaped on the base of analysis of demographic trends. The ways demographic changes affect the future number of higher education participation, i.e. demand and supply, is an area of higher education research. Occupational, sectoral and qualification structure of higher education will be formed with changing demands for skills and knowledge caused by demographic developments. The effects of qualifications on labour market and inversely labour market demands on higher education formation i.e. curriculum, skills and knowledge, depend on the systems' ability of adapting new demographic changes. Lessening competitiveness would be a doubling factor to shrinking participation rates.

The ability to attract students and scholars not only from Europe but beyond depends on more investment in improving quality; internationalization; cooperation with the world of enterprise; global strategic alliances; meeting economy's need for higher level skills; accountability towards society, and enabling fair access. The readiness for structural changes in the higher education systems comprises 1) capacity arrangements (i.e. expansion/contraction in the number of schools, teachers, trainers, and staff), 2) modifications of goals and programs (according to changing labour market needs), 3) responsiveness and competitiveness to new demographic structure (i.e. less native but more foreign and migrant students and staff, or older age cohorts as university students).

Of course, a shrinking population growth may have severe long-term results posing considerable challenges associated with economic, political, social and cultural issues. Regarding higher education, main negative effects of the population shrink on the systems can be summarized as decrease in 1) the number of students, scholars and educational staff; 2) demand/access for higher education (participation rates are already low) 3) supply to labour market; 4) meltdown in education market; and 5) quality increase. The ways demographic changes affect the future number of higher education participation, i.e. demand and supply, is thus an area of timely higher education research. Inevitably, future educational strategies, higher education related policies and implementations will be shaped by the analysis of demographic trends.

Additional activities and concepts considered critical for the viability of European higher education given the current demographic trends include the concepts of “lifewide learning” and “de-learning;” the melding of learning and work across lifetimes and activities, encompassing such notions as learning organizations, learning regions, and learning citizens; the growing importance of ongoing training relative to initial education; the aggressive expansion of university activities into the labour market and for all age groups; and against the traditional provision of knowledge, the rise to prominence of skills training and learning-to-learn approaches.

Of course, one of the main considerations is funding. Current data indicate that the European Union invests a smaller percentage of its GDP in higher education than Australia, Canada, the United States, or Korea, because private investment in higher education in Europe as a percentage of GDP also falls behind the OECD average, Japan, and the United States. Given that the downward trends in population numbers are predictable, this situation is largely manageable if handled in an efficient, timely, and strategic fashion by European governments and higher education systems and institutions.

Challenges and Opportunities of Higher Education in Africa in the 21st Century [Juma Shabani]

As with all other regions of the world, Africa is affected by prevailing global trends but also faces unique challenges and opportunities in its own regional context. The information society of today is framed by three important and interrelated factors - globalization, particularly as understood by the rapid expansion of worldwide economic activity "based on application of knowledge to production and management;" the expansion of information and communication technologies (ICTs), particularly through the use of electronic networks and the Internet; and the emergence of a global labour market.

Radical changes are afoot in African higher education as a result of these powerful global developments. He identifies four major issues in African higher education that have been driven by globalization and its attendant factors:

- 1) changing training needs,
- 2) massive increases in demand for access to higher education,
- 3) the exploration and introduction of new modes of education delivery, and
- 4) the development of responses to the possible liberalization of trade in services.

New demands are being placed on African higher education in terms of the training

expected by students, labour markets, and societies. Among other things, there are high levels of graduate unemployment, inadequate educational opportunities for women, increasing demand for college-educated teachers (both initial degrees and in-service training), and new requirements for teachers at all levels to provide education around the prevention and treatment of HIV and AIDS, as particularly relevant to this discussion. African higher education is challenged to deliver quality education, accredit new institutions and programs, enhance teacher training, and provide for flexible learning.

In order to become competitive in the global knowledge economy, Africans need to move their higher education enrolment rates from 5% (and less in Sub-Saharan Africa) to 40% or 50%. Strategies to tackle this extraordinarily ambitious objective have included the establishment of new public and private institutions and the development of open and distance learning initiatives. Open and distance learning is proving to be an especially popular and effective way of growing enrolment. Open universities enrol more than 30% of total higher education student populations in many countries, and these providers respond to the needs of more diverse learners: part time learners, women, rural areas and students with special needs. Rapid expansion of access to higher education, however, calls into question whether the capacity exists for proper management of this growing enterprise, and whether private institutions and open and distance learning providers are being adequately monitored for quality assurance.

New modes of delivery are also important in the current African context, as evidenced by a series of initiatives involving ICT-based distance and virtual learning, and cross-border education. Examples include, Suffolk University's (USA) campus in Senegal, Monash University's (Australia) campus in South Africa, as well as activities of the African Virtual University and the Virtual Institute for Higher Education in Africa. Quality

assurance is an ongoing concern with new modes of delivery, but the opportunities these initiatives present to African students and higher education institutions make them important activities to explore and further develop. Meanwhile, especially in light of the tremendous needs, opportunities, and potential threats of virtual, distance, and cross-border learning, the debate on the General Agreement on Trade in Services (GATS) is of great concern to African higher educators.

Three major challenges for African higher education in the globalization era:

- 1) capacity building,
- 2) quality assurance, and
- 3) brain drain/brain gain.

The African Union has designated 2002-2009 the Decade of Capacity Building in Africa and a notable number of initiatives have been launched, particularly by the Virtual Institute for Higher Education in Africa, to advance work in the areas of teacher education, distance education curricula, fundraising, and quality assurance and accreditation. Quality assurance is a growing area of interest and activity in African higher education circles. Some national and regional bodies exist to address questions of quality assurance, accreditation, and recognition of qualifications. It is important for these efforts to remain timely and relevant, and there is interest in developing an African Higher Education Area that would raise the transparency and comparability of higher education across the region.

Brain gain initiatives, particularly through engagement with the African Diaspora, are attempting to address the serious outflow of talented Africans from the continent. The African Union, the United Nations Development Program, and the International Organization for Migration have been active in this area, where the focus has been on arranging for short-term visits by expatriates and on developing financial capacity through remittances and investments from abroad. Hence a key challenge for the future will be finding ways to use the Diaspora for capacity building in Africa through extensive use of ICTs.

Although the current global, regional, and national contexts present an impressive array of threats to higher education in Africa, there are important opportunities that should be exploited. After many years of focusing on primary education, donors and other power-brokers currently recognize higher education as a key factor in sustainable development. The African Union has recognized higher education as a major component of the education sector, and the African Development Bank has provided a grant for the development of centres of excellence in the countries of the West African Economic and Monetary Union. African higher education institutions must carefully study the factors currently affecting their institutions at all levels. They must then reconsider, and adjust accordingly, their visions, missions, programs, and structures in order to maximize benefits and minimize threats.

Further issues need to be raised in this discussion:

- The devastation caused by HIV/AIDS has resulted in a new mandate for African institutions of higher education to train teachers at all levels to provide education for disease prevention.

- The effectiveness of virtual learning in Africa depends a great deal on contexts in each country. Nigeria is an example of a country that has shifted funds used for overseas study to internal training and use of (ICTs).
- Forced retirement among African academics should be reconsidered – only productive staff should be kept on.
- Privatization of public universities is occurring, through the enrolment of more and more fee-paying students.

Africa is an important part of the world that should be watched closely for the new things going on there that may be useful to other countries and regions.

Higher education is seen to be contributing to democratization processes in some limited cases, but this is not a major thrust of higher education across the region. While some may feel that a focus on higher education may be inappropriate for a region struggling simply to keep its population employed, a focus on technical or agricultural education, will not allow Africa to be competitive in the global knowledge society. Can brain drain be reconsidered a success for institutions on some level, if one's students end up graduating and finding employment and professional success anywhere in the world?

At least in Africa, most countries have reached maximum capacity in terms of access and funding. For example, in Gabon and Senegal, 30% of the national budget is spent on education, and 20% of that goes to higher education, so it is difficult to see how these countries could apply more resources to this sector. Still, higher education enrolment ratios stand at just 5% (or much less in many cases), which is allowing for the emergence of private higher education, or the enrolment of privately funded students in public institutions. Meanwhile, African countries face many other financial pressures, especially in terms of public health spending. Still, there is pressure to increase enrolment, given the connection between higher education and national/economic development. The Education for All initiative means that there are substantive commitments to ensure access to primary education, leading inevitably to universal secondary education, which will put even more pressure on higher education to accommodate high school graduates. Life-long learning and different kinds of flexible learning arrangements look to be important for addressing these difficulties.

A further question relates to the role of the state in funding higher education. For example, in Uganda, 23-25% of the national budget goes to support education, but 65% of this is earmarked for primary education, and the country sees major enrolment losses between the primary and secondary education levels.

What are the expected outcomes for state investment in higher education? Again in Uganda, per capita income is around \$300, but a humanities major may cost US\$500 per year, a science program US\$1000 per year per student, and it is not uncommon for university lecturers to strike over salary issues. Social inequity is also an issue. Four public universities in Uganda enroll some 45,000 students, while elite families often send their children for tertiary education in India and South Africa.

In most Africa, the current emphasis is on capacity-building. There is more participatory administration and decision-making than had been seen in the past, and efforts are being made to help faculty and staff innovate as well as adapt technical resources to unique local needs. Quality assurance is also another important area of concern, along with how

best to use the resources of the worldwide African Diaspora. In the context of an unsustainable model of heavy government support, there is growing interest in the area of fundraising and resource generation. Key sources for support may be found in institutional partnerships, regional programs, international organizations, and international networks. Key questions include how or if existing structures can be strengthened and/or modified, and how to balance the need for immediate attention with the importance of acting on the basis of solid analysis rather than snap decisions.

Mass Higher Education in Asia in the 21st Century: Reality, Prospects and Organizational Changes [Bie Dunrong]

Asia represents a land of enormous contrasts. These are countries of strong economies and modernized societies, including Japan, Korea, Singapore and Malaysia, and so on, meanwhile there are developing countries, including Bangladesh, PR China, India, Indonesia, Pakistan, Sri Lanka, Vietnam, Cambodia, Laos and Myanmar, etc. Currently the region is going through a period of rapid and far-reaching economic and social changes, driven particularly by the impact of accelerating globalization, increased international economic competition and the transition from traditional to knowledge-based economies and often market-oriented systems.

The diversity of the region is clearly reflected in its higher education systems. The region includes not only some of the largest higher education systems in the world but also micro-systems that cater for only small numbers of students. Some higher education systems are amongst the strongest and best resourced internationally, while others are still struggling for sufficient resources even to provide the most basic elements of higher education provision. During the last two decades, the changes in higher education in the region can be readily characterized by a few multi-syllabled words, such as massification, diversification, privatization, decentralization, marketisation, excellence-oriented and internationalization.

In most countries of the region, expansion of higher education continues with an accelerating pace towards massification. A common feature of all of higher education systems in the region is that they are becoming binary and more diversified. The private sector plays a significant role in higher education. In some countries, the private sector plays a small but increasing role, whereas in others private involvement is heavy. Decentralization is used as an important strategy to deal with the more and more complicated situation of higher education in the region. Market mechanism is introduced into higher education of the region so that the competition leads universities and colleges to respond to market demand and by so doing increase the flexibility and efficiency. Many countries, such as China, India, Indonesia, and so on, are seeking to expand capacity dramatically and, at the same time, to increase the quality of higher education. As a world trend, internationalization is affecting higher education of the region intensively, the influence has revealed not only in the mobility of international students, but also in the operation and development of institutions of higher education.

Increasing pressures are being placed on the developing countries in the region in response to the rapidly developing information society and knowledge-based economies, requiring institutions of higher education to nurture a larger and highly educated workforce and produce appropriate information technology. Given the rapid expansion of access to higher education in most countries of the region in the past decades, the enrolment of higher education is certainly going to grow in the majority of countries in the future, meanwhile the quality of higher education has to be improved in order to strengthen the competition capacity of the countries in the wave of globalization. Massification of higher education has become and will continue to be a heavy financial burden

to the public budget of most countries. Both the governments as well as institutions of higher education in the region have to find sufficient resources to offer more and better education to the potential consumers in order to cope with the rapidly developing information and knowledge society. Population growth continues at considerable rates in many developing countries of the region, the cohort group is still increasing rapidly, thus the demand for higher education continues to extend, given the gross enrolment ratios of higher education are still relatively low in many countries. A major dilemma in the future higher education faced by most countries is to continue to expand participation of higher education while assuring the quality of higher education in acceptable standards under the rigid pressure of resources. Although some countries are amongst the most prosperous in the world, such as Japan, South Korea, Singapore and some of the west Asian nations, there are still a large number of developing countries, among them, some are the poorest in the world. Many countries in South and South East Asia are still facing the challenges to implement compulsory education and extend literacy education, while they can't afford additional resources to increase the access of higher education under the pressure of poverty. Even in some other developing countries, the people living in rural areas are facing the difficulty to go to colleges, provision the tuition policy was carried out. Gender disparities in participation in higher education persist in the region, though female students in higher education have exceeded the male in several countries in this region. There is increasing concern in many countries with regard to the quality of courses, facilities, staff and graduates and the deterioration of infrastructure (laboratories, buildings and libraries) and a lack of scientific equipment while the massification of higher education is measured in rapid growth rates in the region.

There is worldwide similarity in the future development of higher education, but there are also special requirements and difficulties that the Asian countries have to deal with. Though there is disparity in higher education among countries of the region, some common initiatives and strategies may be engaged to improve the future higher education in most Asian countries. There are requirements for the governments and institutions of higher education to diversify the sources of collecting resources in the countries in the region. New quality assurance mechanisms may be engaged to protect healthy and sustainable development of higher education as the systems of higher education are kept to grow in large scales. In many countries, adjustments need to be made within institutions, especially in access and admissions policies, course delivery, student learning strategies and curriculum content, while in many cases national policy frameworks and overall planning approaches also need redirection. As the cooperation is becoming more extensive and intensive in economic and social fields in the regional as well as international levels, cooperation and integration in higher education is not only part of the trend but also a substantial method to accelerate the trend and lead its direction. While some international organizations have played very important role in promotion of the development of higher education in many countries of the region, more international, multi-national and bi-lateral assistance to the systems of higher education are in need.

Organizational changes are in fact a part of the massification of higher education, not only the base for sustainable development of higher education, but also the engine for developing new function of higher education. The organization of massive higher education can increase its capacity to hold more students, and assure the quality of massive higher education.

The changes of organizational structure are taken place both in the system and the institutional level. In the system level, the structure of higher education is becoming more decentralised which makes it more closely linked with local demands. Specifically, the changes are named as that the government called "joint construction, readjustment, cooperation and consolidation".

Through a major organizational reshuffle in the State Council, the Ministry of Education, the Ministry of Finance, the State Planning Commission, and some other central departments, the central-affiliated universities are involved in a move of transferring from the departments of the central government to the provincial authorities, being put under the administration of the Ministry of Education, or merged with other relevant universities, but most of them were relegated to joint construction by central and local authorities, with the local administration assuming the chief responsibility for them.

New universities and colleges were born out of this move. Quite a few large and fine medical universities and colleges were incorporated in comprehensive or multi-disciplinary universities, thus putting an end to medical universities and colleges' history of independent development.

During 1992-2001, as a whole, a total of 556 institutions (387 regular universities and 169 adult universities) were regrouped to form 232 universities (212 regular universities and 20 adult universities), which meant a net reduction of 324. With the exception of a few schools that remain under the administration of central government departments because of their importance to overall national development or their special nature, most of the central-affiliated schools have been relegated totally or mainly to provincial government administration.

Other changes in the system level include development of private institutions of higher education, 249 colleges are authorized to take regular bachelor education and regular certificate education of short cycle, newly establishment of independent colleges, the number of such kind institutions amounts up to about 300, and setting up vocational and technical colleges at higher education level, which is now 1091.

Organizational changes in the institutional level have made universities and colleges more effective. The average student enrolment of universities and colleges has kept increasing in the past two and half decades, but the growth rate is accelerating in recent year. The average enrolment of all institutions is 7666, for the universities, more than 12,000 in 2005.

Moreover, the following issues require attention for the future development of higher education in Asia:

The World Bank and the Asian Development Bank have been suggesting centralization as a strategy for further development of the higher education system in Mongolia, which appears to fly in the face of the argument that decentralization is a preferred strategy. In addition, cooperation across Asia appears to be stymied to some degree by language differences, which in turn represent very different cultures and values.

China's recent successful expansion of its higher education system does not appear to be a workable model for much of the rest of Asia, apart from India, given its immense size and huge population – China has 23 million students enrolled (the most of any country in the world), with an enrolment ratio of just 21%.

There is a significant shortage of qualified professors in China. Many academic staff do not hold Ph.D. degrees because of the destruction of universities during the Cultural Revolution. The system has been largely rebuilt and retooled since 1976 and Ph.D. numbers among professors are rising. Currently, some 60% have master's degrees, while 8% have doctorate degrees. In addition, it is not easy to raise the gross enrolment rate in China, given the faculty shortage. Some 100,000 new faculty being added each year. Graduate education is growing quickly in order to cultivate new faculty, while brain gain now appears to be replacing brain drain, and many returnees are joining the staff of Chinese universities.

Different kinds of Chinese students go abroad. Given China's "cruel" university entrance exams, those who can get into the best Chinese universities are the best in the country and tend to choose to stay. Many Chinese faculty do receive financial support to go abroad for graduate work. In contrast, international students in China typically came to study Chinese language or traditional Chinese medicine. Now all of the disciplines are attracting internationals. Many of these students are coming from neighboring countries and Africa. Interest from North America and Europe is also growing, mostly in the area of business education and with an eye on developing staff for international companies in China.

The Chinese government is shooting for a gross enrolment of 34 million students in higher education by 2020, while there is a shift in focus of government policy away from higher education to primary and secondary education. Non-traditional students in China tend not to go to conventional universities, and if they do, they are typically enrolled in distinct programs geared toward adults. Television delivery of programs is a notable strategy for adult education in China.

In China, the content of some programs (such as politics and morality, perhaps representing 20% of all learning hours of university programs) is decided by the central government. The rest, particularly professional contents, are designed by individual institutions. More and more power in this area is devolving to institutions. The national government has not developed a national policy to encourage education in math, science, and/or technology. Rather, the national government cares more about levels of enrolment, and sets overall enrolment targets but does not dictate or necessarily encourage enrolment in specific fields of study. The economy is what is driving interest in particular fields, so the universities are working to raise enrolment in those areas.

In Indonesia, 60% of the curriculum is dictated by the national government, while 40% is set at the more local levels. Meanwhile, foreign universities in Indonesia set their own curricula. Public universities in Indonesia are beginning to be required to generate some of their own funding.

Other major changes in Asia include descending more administrative power to the bottom level, that is to say, the departments and colleges within the institutions of higher education attained more autonomy, the increase of administrative layers within the institutions, typically from a two-layers to a three-layers administration structure, building new departments and colleges within the institutions as the enrolment is rapidly increasing, emergence of multi-campuses, and development of binary and multi-relationships with industries and other social entities. Generally speaking, changes of the organizational structure are necessarily engaged in massification of higher education.

Higher Education in the 21st Century: Global Challenges, Responsibilities and Opportunities [James J. Duderstadt]

We live in a time of great change, an increasingly global society, knitted together by pervasive communications and transportation technologies and driven by the exponential growth of new knowledge. It is a time of challenge and contradiction, as an ever-increasing human population threatens global sustainability; a global, knowledge-driven economy places a new premium on workforce skills through phenomena such as outsourcing and off-shoring; governments place increasing confidence in market forces to reflect public priorities even as new paradigms such as open-source technologies challenge conventional free-market philosophies; and shifting geopolitical tensions driven by the great disparity in wealth and power about the globe that drives phenomena such as terrorism. Such issues provide the context for higher education in the 21st century.

The Themes of Change

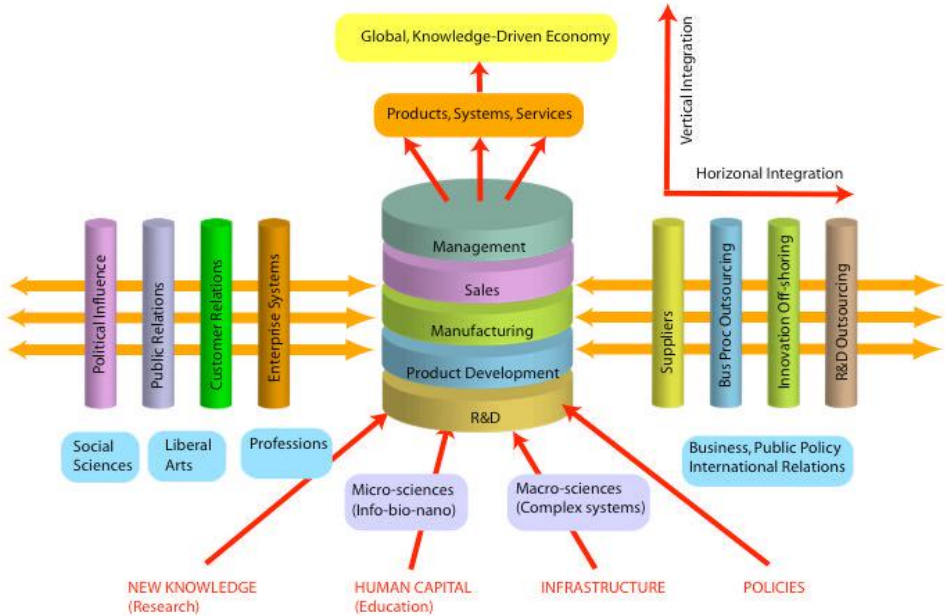
Looking back over history, one can identify certain abrupt changes, discontinuities, in the nature and fabric of our civilization. Clearly we live in just such a time of very rapid and profound social transformation, a transition from a century in which the dominant human economic activities were manufacturing and transportation to one in which communication technology has become paramount, from economies based upon factories, cars, planes, and trains to one dependent upon computers and networks. We are shifting from an emphasis on creating and transporting physical objects such as material products and energy to knowledge itself; from atoms to bits; from societies based upon the geopolitics of the nation-state to those based on diverse cultures and local traditions; and from a dependence on government policy to an increasing confidence in the marketplace to establish public priorities.

Today we are evolving rapidly into a post-industrial, knowledge-based society, a shift in culture and technology as profound as the shift that took place a century ago when our agrarian societies evolved into industrial nations. (Drucker, 1999) Industrial production is steadily shifting from material- and labor-intensive products and processes to knowledge-intensive products and services. A radically new system for creating wealth has evolved that depends upon the creation and application of new knowledge and hence upon educated people and their ideas. Unlike natural resources, such as iron and oil, which have driven earlier economic transformations, knowledge is inexhaustible. The more it is used, the more it multiplies and expands. But knowledge can be created, absorbed, and applied only by the educated mind. The knowledge economy is demanding new types of learners and creators and new forms of learning and education.

Whether through travel and communication, through the arts and culture, or through the globalization of commerce, capital, and labor, our nations, our cities, and our citizens are becoming increasingly linked with the global community. Our economies and companies are international, spanning the globe and interdependent with other nations and other peoples. Worldwide communication networks have created an international market, not only for conventional products, but also for knowledge professionals, research, and educational services. As Thomas Friedman stresses in his provocative book, *The World is Flat*, information and telecommunications technologies have created a platform “where intellectual work and intellectual capital can be delivered from anywhere—disaggregated,

delivered, distributed, produced, and put back together again, or in current business terms”, and this gives an entirely new freedom to the way we do work, especially work of an intellectual nature (Friedman, 2005).

Table 1: How the World Works Today



Friedman goes further to observe that, “Some three billion people who were excluded from the pre-Internet economy have now walked out onto a level playing field, from China, India, Russia, Eastern Europe, Latin American, and Central Asia. It is this convergence of new players, on a new playing field, developing new processes for horizontal collaboration, that I believe is the most important force shaping global economics and politics in the early 21st century.” And it is this reality of the hyper-competitive, global, knowledge-driven economy of the 21st century that is stimulating the powerful forces that will reshape the nature of our society and our knowledge institutions.

Nations are investing heavily and restructuring their economies to create high-skill, high-pay jobs in knowledge-intensive areas such as new technologies, financial services, trade, and professional and technical services. From Paris to San Diego, Bangalore to Shanghai, there is a growing recognition throughout the world that economic prosperity and social well being in a global knowledge-driven economy requires investment in knowledge resources. That is, regions must create and sustain a highly educated and innovative workforce and the capacity to generate and apply new knowledge, supported

through policies and investments in developing human capital, technological innovation, and entrepreneurial skill. Council on Competitiveness, 2004) Nations both large and small, from Finland to China, are reaping the benefits of such investments aimed at stimulating and exploiting technological innovation, creating serious competitive challenges to American industry and business both in the conventional marketplace (e.g., Toyota) and through new paradigms such as the off-shoring of knowledge-intensive services (e.g. Bangalore).

So too, our world is being transformed by profound demographic changes. The populations of most developed nations in North America, Europe, and Asia are aging rapidly. The baby boomers are beginning to retire, shifting social priorities to the needs and desires of the elderly (e.g., health care, financial security, low crime, national security, low taxes) rather than investing in the future (e.g., education). Over the next decade the percentage of the population over 60 will grow to over 30% to 40% in the United States, Europe, and parts of Asia. In fact, half of the world's population today lives in countries where fertility rates are not sufficient to replace their current populations. Aging populations and shrinking workforces will have an important impact, particularly in Europe, Russia, and some Asian nations such as Japan, South Korea, and Singapore (National Intelligence Council, 2004).

In sharp contrast to the aging of developed nations, the rest of the world is becoming ever younger. In the developing world—Africa, Latin America, Asia—fertility rates remain high and the average age is less than 20. Unless these rapidly growing populations can be provided with not only with the means to meet their most basic needs—food, water, energy—but with the education necessary to compete in and survive in the global economy, the resulting despair and hopelessness among the young will continue to feed the terrorism that so threatens our world today.

No less important are the new technologies driving profound changes in our world—technologies such as information technology, biotechnology, and soon nanotechnology—that are characterized by exponential growth. When applied to microprocessor chips, this remarkable property, known as Moore's Law, implies that every 18 months, computing power for a given price doubles. And for other elements of digital technology, such as memory and bandwidth, the doubling time is even shorter—currently 9 to 12 months. Scientists and engineers today believe that the exponential evolution of these microscopic technologies is not only likely to continue for the conceivable future, but in fact, the pace may be accelerating, from "giga" to "tera" to "peta" and perhaps even "exa" technology (one billion-billion or 10^{18}) - (Atkins, 2003) (Kurzweil 1999, 2005).

For planning purposes, we can assume that on the timescale of decades we will have available infinite bandwidth and infinite processing power (at least compared to current capabilities). We will denominate the number of computer servers in the billions, digital sensors in the tens of billions, and software agents in the trillions. The number of people linked together by digital technology will grow from millions to billions. We will evolve from "e-commerce" and "e-government" and "e-learning" to "e-everything," since digital devices will increasingly become predominant interfaces not only with our environment but with other people, groups, and social institutions.

Beyond acknowledging the extraordinary and unrelenting pace of such exponentially evolving technologies, it is equally important to recognize that they are disruptive in na-

ture. Their impact on social institutions such as corporations, governments, and learning institutions is profound, rapid, and quite unpredictable. As Clayton Christensen explains in *The Innovators Dilemma*, while many of these new technologies are at first inadequate to displace today's technology in existing applications, they later explosively displace the application as they enable a new way of satisfying the underlying need. (Christensen, 1997) If change is gradual, there will be time to adapt gracefully, but that is not the history of disruptive technologies. Hence, organizations (including governments) must work to anticipate these forces, develop appropriate strategies, and make adequate investments if they are to prosper—indeed, survive—such a period. Procrastination and inaction (not to mention ignorance and denial) are the most dangerous of all courses during a time of rapid technological change (Duderstadt, 2003).

These economic, social, and technological factors are stimulating powerful market forces that are likely to drive a massive restructuring of the higher education enterprise, similar to that experienced by other economic sectors such as health care, transportation, communications, and energy. From our experience with other restructured sectors of the economy such as health care, transportation, communications, and energy, we could expect to see a significant reorganization of higher education, complete with the mergers, acquisitions, new competitors, and new products and services that have characterized other economic transformations. We may well be seeing the early stages of the appearance of a global knowledge and learning industry, in which the activities of traditional academic institutions converge with other knowledge-intensive organizations such as telecommunications, entertainment, and information service companies.

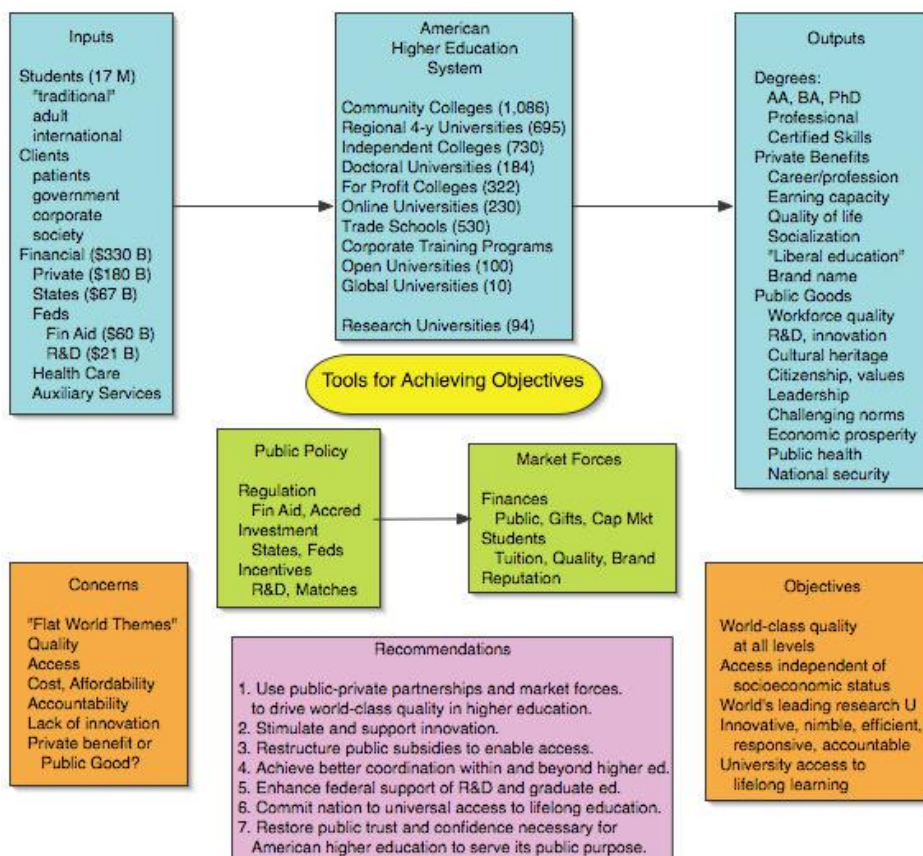
More generally, it seems clear that we are moving toward a revenue-driven, market-responsive education system because there is no way that our current tax systems can support the level of advanced education required by knowledge-driven economies in the face of other compelling social priorities (particularly the needs of aging populations). This is amplified by an accelerating influence of the market on higher education and a growing willingness on the part of political leaders to use market forces as a means of restructuring higher education in order to increase the impact of the competition. Put another way, market forces are rapidly overwhelming public policy and public investment in determining the future course of higher education (Zemsky, 2005).

Given this highly dynamic and changing context, it is understandable that one would question whether the current paradigms for conducting, distributing, and financing higher education are adequate to adapt to the demands and realities of the global knowledge economy. It could well be that the current faculty-centered, credential-based monopoly characterizing the contemporary university is ill-suited to meeting national priorities such as the massification of educational opportunity, the education needs of the high-performance workplace, and the applied research required for technological innovation (Duderstadt, 2000). The ongoing debate concerning the future of higher education in the United States provides an illustration of the tension between the traditional roles of the university and the needs of the knowledge economy.

The Challenges Facing Higher Education in the United States

Higher education in the United States is characterized both by its great diversity and an unusual degree of institutional autonomy—understandable in view of the limited role of the

federal government in post-secondary education. As *The Economist* notes, “The strength of the American higher education system is that it has no system.” Higher education in the United States benefits from a remarkable balance among funding sources, with roughly 25% from the federal government, 20% from the states, and 55% from private sources (tuition, philanthropy). As a result, market forces and competition among institutions tends to be more influential than public policy. The diagram below summarizes the key characteristics of the American higher education enterprise:

Table 2: The United States Higher Education System

Higher education in the United States is generally held in high regard, as evidenced by an assessment by *The Economist* in their global survey of higher education in 2005: "There is no shortage of things to marvel at in America's higher-education system, from its robustness in the face of external shocks to its overall excellence. However, what particularly stands out is the system's flexibility and its sheer diversity...It is all too easy to mock American academia. But it is easy to lose sight of the real story: that America has the best system of higher education in the world!" (Economist, 2005)

Yet, while this remains true in selected areas such as research and graduate education, many other aspects of higher education in the United States raise serious concerns. The goal of achieving and sustaining a world-class system of postsecondary education capable of meeting the changing educational, research, and service needs of the United States faces many challenges, including: an increasing socioeconomic stratification of access to (and success in) quality higher education; questionable achievement of acceptable student learning outcomes (including critical thinking ability, civic participation, communication skills, and quantitative literacy); cost containment and productivity; and

the ability of institutions to adapt to changes demanded by the emerging knowledge services economy, globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs (e.g., lifelong learning), new providers (e.g., for-profit, cyber, and global universities), and new paradigms (e.g., competency-based educational paradigms, distance learning, open educational resources). Furthermore, while American research universities continue to provide the nation with global leadership in research, advanced education, and knowledge-intensive services such as health care, technology transfer, and innovation, this leadership is threatened today by rising competition from abroad, by stagnant support of advanced education and research in key strategic areas such as physical science and engineering, and by the complacency and resistance to change of the American research university. (Augustine, 2005)

In recent years, numerous studies sponsored by government, business, foundations, the national academies, and the higher education community itself have suggested that the past attainments of American higher education may have led our nation to unwarranted complacency about its future. Of particular importance here was the recent work of the National Commission on the Future of Higher Education, launched in 2005 by U.S. Secretary of Education Margaret Spellings to examine issues such as the access, affordability, accountability, and quality of our colleges and universities. (Spellings, 2006) This unusually broad commission—comprised of members from business, government, foundations, and higher education—concluded that “American higher education has become what, in the business world, would be called a mature enterprise: increasingly risk-averse, at times self-satisfied, and unduly expensive. It is an enterprise that has yet to address the fundamental issues of how academic programs and institutions must be transformed to serve the changing educational needs of a knowledge economy. It has yet to successfully confront the impact of globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs and new paradigms.” (Spellings, 2006)

More specifically, the Commission raised two areas of particular concern about American higher education: social justice and global competitiveness. Too few Americans prepare for, participate in, and complete higher education – especially those underserved and nontraditional groups who make up an ever-greater proportion of the population. Notwithstanding the nation’s egalitarian principles, there is ample evidence that qualified young people from families of modest means are far less likely to go to college than their affluent peers with similar qualifications. America’s higher-education financing system is increasingly dysfunctional. Government subsidies are declining; tuition is rising; and cost per student is increasing faster than inflation or family income.

Furthermore, at a time when the United States needs to be increasing the quality of learning outcomes and the economic value of a college education, there are disturbing signs that suggest higher education is moving in the opposite direction. Numerous recent studies suggest that today’s American college students are not really learning what they need to learn. (Bok, 2006) As a result, the continued ability of American postsecondary institutions to produce informed and skilled citizens who are able to lead and compete in the 21st century global marketplace may soon be in question. Furthermore, the decline of public investment in research and graduate education threatens to erode the capacity of America’s research universities to produce new the knowledge necessary for innovation.

The Commission issued a series of sweeping recommendations to better align higher education with the needs of the nation, including 1) reaffirming America's commitment to provide all students with the opportunity to pursue postsecondary education; 2) restructuring financial student aid programs to focus upon the needs of lower income and minority students; 3) demanding transparency, accountability, and commitment to public purpose in the operation of our universities; 4) adopting a culture of continuous innovation and quality improvement in higher education; 5) greatly increasing investment in key strategic areas such as science, engineering, medicine, and other knowledge-intensive professions essential to global competitiveness; and 6) ensuring that all citizens have access to high quality educational, learning, and training opportunities throughout their lives. A series of actions have been launched by government at the federal and state levels along with colleges and universities to implement these recommendations over the next several years.

The Future of the University

In summary then, the forces driving change in our world—changing demographics (an aging population, increasing ethnic diversity), globalization (economic, geopolitical, cultural), and disruptive technologies (info-bio-nano technologies that are creating a global, knowledge driven economy)—are likely to drive very major changes in postsecondary education as a global knowledge economy demands a new level of knowledge, skills, and abilities on the part of our citizens. We have entered an era in which educated people, the knowledge they produce, and the innovation and entrepreneurial skills they possess have become the keys to economic prosperity, public health, national security, and social well being. Hence the strength, prosperity, and leadership of a nation in a global knowledge economy will demand highly educated citizenry and hence upon a world-class system of postsecondary education. It will also require leading research universities, capable of discovering new knowledge, developing innovative applications of these discoveries, transferring them into society through entrepreneurial activities, and educating those capable of working at the frontiers of knowledge and the professions.

Furthermore, education, knowledge, and skills have also become the primary determinants of one's personal standard of living and quality of life. A truly democratic society must accept the responsibility as a matter of social justice to provide all of its citizens with the educational and training opportunities they need, throughout their lives, whenever, wherever, and however they need it. And, just as students increasingly understand that in a knowledge economy there is no wiser personal investment than education, many nations now accept that the development of their human capital through education must become the highest priority among other social priorities, since this is the only sure path toward prosperity, security, and social well-being in a global knowledge economy.

Yet many, both inside and outside the academy, believe that these forces of change will so transform our educational institutions—schools, colleges, universities, learning networks—over the next generation as to be unrecognizable within our current understandings and perspectives. Let me illustrate with several possibilities:

The Global University:

The emergence of a global knowledge economy is driven not only by pervasive transportation, information, and communications technologies but also by a radically new system for creating wealth that depends upon the creation and application of new knowledge and hence upon advanced education, research, innovation, and entrepreneurial activities. There is a strong sense that higher education is similarly in the early stages of globalization, through the efforts of an increasing number of established universities to compete in the global marketplace for students, faculty, and resources; through the rapid growth in international partnerships among universities; and through for-profit organizations (e.g., Apollo, Laureate) that seek to expand through acquisition into global enterprises. New types of universities may appear that increasingly define their purpose beyond regional or national priorities to address global needs such as health, environmental sustainability, and international development—what one might call “universities in the world and of the world”.

A Society of Learning:

Today the shelf life of education provided early in one’s life, whether K-12 or higher education, is shrinking rapidly in face of the explosion of knowledge in many fields. Furthermore, longer life expectancies and lengthening working careers create additional needs to refresh one’s knowledge and skills through. Hence, an increasing number of nations are setting the ambitious goal of providing their citizens with pervasive, lifelong learning opportunities. Of course, this will require not only a very considerable transformation and expansion of the existing postsecondary education enterprise but also entirely new paradigms for the conduct, organization, financing, leadership, and governance of higher education. Yet, if successful, it could also create true societies of learning, in which the sustained development of knowledge and human capital become the key paths to economic prosperity, national security, and social welfare.

The Meta University:

Some of the most interesting activities in higher education today involve an extension of the philosophy of open source software development to open up opportunities for learning and scholarship to the world by putting previously restricted knowledge into the public domain and inviting others to join both in its use and development. MIT led the way with its OpenCourseWare (OCW) initiative, placing the digital assets supporting almost 1,800 courses in the public domain on the Internet for the world to use. Today over 100 universities have adopted the OCW paradigm to distribute their own learning assets to the world (MIT OpenCourseWare, 2006). Furthermore, a number of universities (Michigan, MIT, Indiana, Stanford, Oxford) and corporations (IBM, Apple, Cisco, and Unisys) have joined together in the Sakai Project to develop open-source middleware to support the instructional and scholarly activities of higher education, already used by several hundred universities around the world (Sakai Project, 2006). Perhaps the most exciting—and controversial—efforts is the Google print library project in which a number of leading universities have joined together with Google to digitize a substantial portion of their library holdings, making these available for full-text searches using Google’s powerful Internet search engines (Google, 2006). Currently the “G8” includes the universities of Michigan, Stanford, Harvard, Oxford, California, Wisconsin, Madrid, and the NY Public Library, with joint collections amounting to roughly half of the estimated books in the world. Charles

Vest, former president of MIT, suggests that through the array of such open paradigms, we are seeing the early emergence of a “meta university” – a transcendent, accessible, empowering, dynamic, communally-constructed framework of open materials and platforms on which much of higher education world wide can be constructed or enhanced (Vest, 2005).

Universal Access to Knowledge and Learning:

Imagine what might be possible if all of these pieces could be pulled together, i.e., Internet-based access to all recorded (and then digitized) human knowledge augmented by powerful search engines, open source software (SAKAI), learning resources (OCW), open learning philosophies (open universities), new collaboratively developed tools (Wikipedia II, Web 2.0); and ubiquitous information and communications technology (e.g., Negroponte’s \$100 laptop computer).

Imagine a time in the near future when anyone with even a modest Internet connection has access to all the recorded knowledge of our civilization along with ubiquitous learning opportunities. Imagine still further the linking together of billions of people with limitless access to knowledge and learning tools enabled by a rapidly evolving scaffolding of cyber-infrastructure – the term currently used to describe the hardware, software, people, organizations, and policies necessary to build the information and communications environment for knowledge work—increasing in power one-hundred to one thousand-fold every decade. In fact, we may be on the threshold of the emergence of a new form of civilization, as billions of world citizens interact together, unconstrained by today’s monopolies on knowledge or learning opportunities (Atkins, 2003) (Kurzweil, 1999, 2005).

Perhaps this, then, is the most exciting vision for the future of higher education, no longer constrained by space, time, monopoly, or archaic laws, but rather responsive to the needs of a global, knowledge society and unleashed by technology to empower and serve all of humankind.

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