

The Cheps Inaugurals



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The CHEPS inaugural lectures 2002

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Changing visions of the University

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A Note from the Editors

2002 was a rare and special year for CHEPS. A research centre with 20 academic staff should have no serious expectation of having three inaugural lectures in a single calendar year. This is the stuff of dreams, not the reality of higher education policy research in the twenty-first century. Yet, it happened.

To mark this memorable event we are proud to publish the three inaugurals as a collection of articles. In doing so we have inevitably lost much of the ceremony, the personal and collective joy, and the audio-visual pyrotechnics that accompanied the inaugurals on their day(s). (Nobody fortunate enough to have been present will ever forget the surprise entry of Monty Python's Spanish Inquisition into Guy Neave's lecture). We have also taken some liberties with language – Marijk van der Wende's inaugural lecture was given and published in Dutch, while Jürgen Enders presented a Dutch version of his published English text. In this collection all three are in English. So, whilst the authenticity of the live performance has been lost, we hope that you will find the thoughts and perspectives that the lectures offer, individually and in combination, to be useful in your "live performances" within higher education in the years ahead. We certainly will.

Leo Goedegebuure and Jon File
Enschede
December 2002



**On Stakeholders,
Cheshire Cats and Seers:
Changing visions of the
University**

Guy Neave

On Stakeholders, Cheshire Cats and Seers

Changing visions of the university

Guy Neave

Introduction

One of the abiding engagements of the university – irrespective of the changes that go on around it and in it – is the exploration of new ideas, their testing and, should they be weighed in the balance and found enlightening, their transmission and, for a time, their dissemination. That activity is what identifies the academic community, what holds it together in common accord and what sometimes divides us. Our divisions are not about the central purpose of exploring ideas so much as around the ways in which we should organise ourselves to do this – and to do it in ways that contribute to the advancement of knowledge and, more recently, in ways that are demonstrably in keeping with what society expects.

What society expects is in itself a tall order. Who expects what and how is it to be shown? In effect, these are the abiding questions that have besieged the university from the days when the type of knowledge taught was Revealed Knowledge, not Scientific Knowledge. And because they are abiding questions, the answers given to them are, of necessity, temporary *sub speciae aeternitatis* if not always from the standpoint of Ministries and governments.

What I want to do in my contribution to this volume is to explore some of the conceptual and historical dimensions to an issue that is central to the contemporary university. This is the notion of Stakeholders. And by extension, I will join to that something which is sometimes alluded to, more I think, with glibness than as a result of great ponderings, namely the ‘Stakeholder Society’. There are excellent and very pressing reasons why this subject should engage our interest, both as scholars and as decision-makers. If universities are to meet the increasing demands for that commodity which the Knowledge Society demands – namely knowledge – they have not merely to show how they are doing so and in what way. It is

just as important to be able to show systematically to whom such services have been delivered. By examining how the ‘stakeholder perspective’ illuminates the ties between university and community, we contribute to a rather wider debate – one which though current, is being pursued in other arenas as well. This debate revolves around the university’s responsibilities to society and their fulfilment – that is, effectiveness, accountability and transparency (Neave, 1998, pp 245 – 247).

The Cheshire Cat

Any researcher who throws himself – or herself – into investigating ‘the Stakeholder Society’ risks facing the same experience as Alice did in Wonderland, when she came across the Cheshire Cat. From a distance, the Stakeholder – like the Cat – seems solid enough. Indeed, there are historic precedents to suggest that the ‘Stakeholder model’ may be traced back to the earliest form of higher education Europe has known – namely, to 12th century Bologna (De Ridder Simoens, 1992). Then, students wielded the power of the purse. They engaged and paid their tutors. There was a contractual relationship. It is, if one cares to look at it in such a way, a very modern notion. And, as I shall make clear later, by examining its origins and development across time, we may gain a better grasp of just how important the thrust of reform has been in higher education over the past decade and a half.

But then, when one gets closer to the Stakeholder Cat, it appears softly to vanish away, leaving many researchers, like Alice, faced with just the hideously toothy grin.

The Stakeholder as a Conceptual Being

The concept of stakeholders as we understand it today, comes to us through the sociology of organisations and more particularly the sociology of the firm. There are two main strands. The first has to do with broadening the responsibilities of the firm beyond the classically defined ‘shareholders’. The second was largely the work in the 1950s, of the economist, Edith Penrose (Pitelis & Wahl, 1998). Introducing the concept of ‘stakeholder’ injected a broader definition of the ‘constituencies’ a firm had to take into account (Wheeler & Silanapaa, 1998). They now included investors,

customers and employees. Not only was this a more complex constituency. The concept also went hand in hand with a wider definition of 'the social responsibility' of the firm. There are, in effect, remarkable parallels at some 35 to 40 years remove with developments in higher education policy. I will return to them later.

Other writers have focused on operationalising the concept. For Freeman (1984) stakeholders were 'any group or individual who can affect or who is affected by the achievement of a firm's objectives'. This is all very well. But it puts one in mind of what may be termed Gilbert's Principle, so named after the Victorian librettist W.S. Gilbert the second string – literally – of the partnership of Gilbert and Sullivan, two gentlemen who wrote light Opera for the distraction of the genteel:

'When everybody's somebody', Gilbert trumpeted, 'then no-body's anybody'. Quite.

Mitchell, Agle & Wood (1997) are a little more helpful. Within the ranks of stakeholders they distinguish between claimants and influencers. The former have a claim – moral or legal – on the firm. Influencers however, are able to influence its behaviour, direction, processes or outcomes. In short, they have weight! A similar distinction was drawn by Kogan & Packwood (1974) in their exploration of educational pressure groups in Britain of the 1970's. Here the cutting line lies between 'illegitimate' and 'legitimate' pressure groups. The latter government or local authorities were obliged to consult. The former, they were not.

Both studies have a common perspective – namely, they are defined by the institution, whether firm or government. It is, in short, the stakeholder world perceived from the institutional perspective looking outwards. A more recent definition shifts the perspective to outside the institution. Burrows, working from an American perspective, sees stakeholders as 'those individuals or groups who believe that a college is accountable to them and behave as if it were'. But once again it falls victim to Gilbert's adage and fragments stakeholders to a point which defies all analysis (Morrow, 1998).

Yet, some attempts at making typologies of stakeholders have been undertaken. Burrows (1999) developed a classification along four dimensions. These are:

Location – that is whether external or internal to the institution.
Involvement status.
The potential for co-operation or as a threat.
Their stake – or influence upon – the individual establishment.

Lamentations and a Long-term Perspective

Burrows was not concerned either with the historical origins of the concept of 'stakeholders' and certainly not with stakeholders in any system other than the United States. This is a pity. It is a pity on a number of counts. First, because if we are to grasp the full significance of this aspect in our affairs – and as I have suggested, it is of increasing import – we need to pay attention not just to the concept, but also to how it has evolved. Second, we need to do this because the basic frame factors in higher education – relations with government, patterns of governance and the myriad alterations that have taken place in the responsibilities assigned to the institutional level – have radically changed over the past fifteen years in Western Europe. So we need to integrate these developments within a long term dynamic that takes us towards the Stakeholder Society.

Differences: Europe and the United States

Earlier I made brief allusion to the 12th century University of Bologna as the ancestor of the 'stakeholder's university'. I did so to show, not that there is nothing new under the sun (cunning historians can always make that argument) so much as to suggest that the notion we explore today does have a very ancient pedigree. This of course, raises the thorny question of precisely why we should see it as modern. The answer to this lies in certain key developments in Western European higher education in the course of the 19th century. This development had the effect of splitting off the universities of Continental Europe from their counterparts in Britain and the United States. And this split, in large part, accounts for the relative tardiness – or even reticence – to view the Stakeholder Model as either appropriate or legitimate in the world of academe. In short, Continental Europe moved towards the Stakeholder Society along a different path. And if we are to appreciate where we are today, it is as well to follow it, if only as an exercise in 'knowing ourselves' – which is essential even in a globalising world.

The Many Faces of Von Humboldt and the Emperor Napoleon

Certainly, this path has to do with ownership and in Europe the assimilation of the academic estate into one of the orders of national administration. From this perspective, the key and marker events in the European path towards the Stakeholder Society are twofold. They lie in the reforms implemented by Wilhelm von Humboldt during 1806 in Prussia and the corresponding events in 1811 with the establishment of the French *Université Impériale* by the Emperor Napoleon, sometimes described by his detractors as the Corsican Ogre.

These events stand at the root of many of the differences in ownership, co-ordination, internal authority and thus the place of higher education in the community, and in turn, the nature of the particular community to which higher education was answerable. They gave rise, if you will, to the particular positioning of Europe's systems of higher education within the triangular relationship with which Burton Clark's name is for ever associated – much to his chagrin – namely between State, Market and Academic oligarchy (Clark, 1983).

There is another way of saying the same thing, but from the vocabulary of Business Studies literature. This would see Von Humboldt and Napoleon as having brought about a radical change in 'prime partners' in the enterprise of higher education (Clarkson, 1991). Reduced to its essence, the prime partner of the modern European university was henceforth the Nation State – an arrangement that was to last at least until the 1960's. Indeed, there is a good case to be made for saying that the primacy of State co-ordination was even strengthened by the onset of massifying the university.

Seen against this backdrop, the rise of the Stakeholder Society comes as the end to this 19th century concordat between Nation State, its representative communities and the university in Continental Europe. It reflects a redefinition in the place of the State, sometimes alluded to as the shift from 'State control' to 'State surveillance' (Van Vught, 1989; Neave & Van Vught, 1991). And by the same token, it involves a redefinition of the community in terms of those interests to which the university should be answerable.

The 19th Century Concordat

In effect, the 19th century concordat between State, Nation and University involved transferring the university into the legal ownership of the Nation. This transfer did not take place in the United States. And, in Britain, it came later. Though Thomas Jefferson had, at one point, argued in favour of creating a 'National University' for the United States, ownership remained in the hands of Trustees not the State, a feature confirmed by the Dartmouth Judgement of 1819. Whilst in Britain, legal ownership remained in the hands of the 'dons' (Eustace, 1987, 1992).

What was the justification for this 'transfer of ownership' in Western Europe? And what does it tell us about the 'proper relationship' between university and community? Basically, this long drawn out process of incorporating into the Nation the 'academic estate' which, arguably was very different from the Anglo Saxon equivalent of the 'academic profession' (Neave & Rhoades, 1987; Enders, 2001). was to ensure the primacy of the National Interest in that body on the one hand and, on the other, to set around it a 'regulated area', defined and upheld by law and by the State (de Groof, Neave & Svec, 1998).

The Theory of the Regulated Area

Such a 'regulated area' – an alternative way of looking at it would be to call it the 'Guardian model' of the relationship between higher education and the Nation – not only embraced the right to teach and to learn and protected these freedoms. It also defined the relationship between what today would be conceived as 'internal' and 'external' stakeholders. It set down formally the bounds of authority between the three 'estates' of academia, administration and students and thus their respective power, authority and responsibility within the inner world of the university. Or in the case of the student estate, it set down degrees of impotence and subordination.

That formal and uniform regulation can 'assign' power and responsibility shows very clearly that the assumptions about the 'proper relationship' between university and community in Western Europe rested on a very different grounding from the Anglo Saxon world. Indeed, it could be argued that in its classic form, the European notion of the 'regulated area' in which

links with outside interests were largely mediated through a central ministry, stands as the polar opposite to the notion of 'Stakeholder Society' which, it is nothing else, rests upon a direct and dynamic interplay between the university and different interests.

It is, of course, a reflection on the changing discourse in higher education that procedures and instruments of control once conceived as a means of upholding the general good or the General Interest (Morrow, 1998) or preventing its unbalance by the power of particular interests, are now viewed as an illegitimate extension of bureaucracy.

Alternate Visions

The 'theory of the regulated order' stands then in marked contrast to the development of higher education in the United States and Britain. If the transfer of 'ownership' to the National community did not take place in the case of the first or did so later in the case of the second, that is because both had a very particular 'vision' of property owning as a means of securing the social order. And this vision applied as much to the university as it did to society generally. We have to pay a little attention to this vision because it lies at the heart of the 'Stakeholder Society' itself. And indeed, it is central to our understanding the basic values which underpin it.

So far I have examined 'Stakeholders' and 'Stakeholder Society' from two different angles. These angles have been how Stakeholders are defined in the literature. Here I have made a rapid foray into the field of Business Studies. And second, I have made a quick sally into the historical aspect of the way the classic relationship between Nation and University evolved in the course of the 19th century. Now, however, I want to push a little further into the domain of intellectual history and more particularly into some of the political constructs that lie behind the idea of what in 19th century British parlance was termed 'property owning democracy'. I want to do so because I believe it provides a useful insight to some of the issues that are gathering around the contemporary university. And not least, a University that is entrepreneurial.

The Theory of Possessive Individualism

In the Anglo Saxon world, the origins that lie behind the term 'stakeholder' may be traced back to the late 17th century, more particularly to the rise of what the philosopher C.B McPherson (McPherson, 1962) analysed in terms of 'possessive individualism' and to the writings of the political theorist, John Locke (1632-1704).

This interpretation is not uncontested, not surprisingly by economic historians who argue that, as with everything else, the origins of 'Stakeholder Theory' lie in the writings of Adam Smith – more specifically in his *Theory of Moral Sentiments*, published in 1759 (Freeman, 1984). To each his patron saint. I would, however, simply note that from a strictly chronological point of view, Locke was dead before Smith started scribbling!

According to Locke, who is seen as a central figure in the Rise of Possessive Individualism, the individual's accumulation of wealth and possessions conferred upon him a sense of responsibility. He had a share – or a stake – in the common wealth. And thus, because he had a share, it was in his interest to uphold the existing order, if only because that order had favoured him so well. Thus stakeholding – sometimes defined as having something to loose - binds the individual to the collectivity. However, and the difference was to prove crucial, the collectivity was not defined as the Nation State – that is a community based on shared language, history or culture. Such a definition applied to a democratic order was, as we all know, the work of the French Revolution of 1789. Rather, possessive individualism applied to another definition of community. This definition rested on ownership and possession – that is what the term Common Wealth means *stricto sensu*. Or, if we are deliberately to use a linguistic anachronism, the community economically defined.

Differences and their Evolution

Here we see clearly revealed some of the differences that lie beneath the 'Theory of the Regulated Area' and the notion of 'Possessive Individualism' and by extension the notion of the community as stakeholder. Rather than placing a 'regulated area' around universities as a State service, the notion of the Anglo-Saxon common wealth posited a direct relationship between

individual institution and external stakeholder. How that relationship evolved was somewhat different in England from the United States.

Whilst both subscribed to the principle of ownership of individual institutions rather than incorporating ownership into the services of government, the Nation or the national community each placed very different weight on the part to be played by internal as opposed to external 'stakeholders'. And this difference in turn resulted in very different notions of authority within the institution. In the case of England, ownership was vested in internal 'stakeholders' – the fellows – a direct holdover from the medieval Guild. Fellows and Masters were most assuredly owners and, like the Guild from which they had sprung long before, were self-governing.

Not so the American universities. As it coalesced around the turn of the last century, shared governance in the US conferred prime stakeholder status on the local community in the person of Trustees or Regents. True, they exercised the overall responsibilities of ownership. But they delegated the internal responsibilities for academic work, administration and employment to the President who in turn delegated it to Deans.

Contrasting Rationales

Clearly, the assumptions and administrative constructs which shaped higher education in the Anglo Saxon world and Continental Europe have very different visions of 'community' and 'ownership'. The latter incarnated what I have termed the concept of a 'Regulated Area'. The former turned around the active participation of the proximate community which founded or owned the university. The latter obeyed a largely political and institutional rationale, the construction of the modern state. The former turned around a perspective focused more on the accommodation of the individual interest. Which leads us back to the problem of Alice and the Cheshire Cat. Obviously, different historical and political settings shape the emphasis society places on 'stakeholder bodies' or for that matter, whether it is prepared to accept such a perspective at all.

So, how do we explain the rise of Stakeholder Society in present day Europe? And what are changes it brought to higher education?

Massification

The rediscovery of 'stakeholders' as a dimension in higher education policy is intimately tied in with the rise of the mass university. This process began in Western Europe in the early sixties and was technically first achieved in France around 1972 and in Britain in the course of the early Eighties. In Eastern Europe, by contrast, it had to wait until the Bicentenary of the Revolution of 1789 and the Fall of the Berlin Wall to develop - which it then did with extraordinary speed and amidst considerable chaos (Tomusk, 2001).

Massification of higher education is one of the major social achievements of the 20th century (Kerr, 1994). It changed the paradigm of higher education – that is the way we view it and interpret it. It placed higher learning in Western Europe firmly within the 'stakeholder nexus' which bore a certain generic similarity to higher education in the US. The question is: 'How'?

Earlier I mentioned that one of the crucial developments that brought 'stakeholder theory' into the firm was the extension of the firm's responsibility beyond the usual range of shareholders and stockholders. By analogy, massification involves a very similar development. It re-defined the purpose of higher education. It also brought about – though not always as an act of purposive planning – major alterations to the place, relative weight and legitimacy of the groups internal to academia which we have called 'estates'.

Under the 'regulated order' one of the functions of higher education was seen as upholding continuity, stability and social cohesion by ensuring the renewal of the political and administrative elites in the Nation. To these historic tasks, massification and more to the point, governments added immensely. The watchword of continuity was replaced by the imperative of change, with emphasis on higher education's duty to meet social demand on the one hand and the demands of the labour market on the other. Henceforth, higher education's duty to the Nation was that of an instrument of mobilisation – social and economic.

The Varied Fortunes of the Academic and Student Estates

Not surprisingly, as this new mission took shape in the course of the Sixties in France, the Netherlands, Germany, Sweden and Britain it had direct effects upon both the Student and the Academic Estates. It fragmented the latter and introduced a high degree of tension between the traditional holders of authority under the 'regulated order' – the Professorate – and the burgeoning numbers of the Assistant class (Neave & Rhoades, 1987; Enders, 2001). The tension between the two constituent orders within the Academic Estate was to last on and off until the early 80s, and gave rise to the first round in reforming governance structures (Goedegebuure, de Boer & Denters, 2000). a feature crucial to our understanding of the subsequent rise of the 'Stakeholder Society.'

For the Student Estate, massification had quite the opposite effect. The student estate acquired a new basis of legitimacy and one that became a key criterion on which higher education systems were assessed. By the same token, that same criterion also became a surrogate for the university's capacity to adapt to social change. Students, in effect, became representatives of the social class from which they stemmed, not as had tended earlier to be the case, as 'apprentices' under training for the occupations they would later take up. And thus, the gender, social class and ethnic composition of the student body became regularly and anxiously scrutinised for signs of progress – and backsliding – in such areas as social equity and later, institutional efficiency judged in terms of completion rates, average time to degree and the subsequent insertion into the labour market. Seen from the perspective of policy making, the past 30 years or so have seen an immense strengthening in the locus occupied by the student body.

Let us follow the fortunes of the 'protected orders' a little longer. They give us a neat angle of approach into that major change which, by and large, shapes the emergence of Stakeholder Society. Two key but untoward events contributed mightily to changes in the 'regulated order'. These are first, the impact of participant democracy and second, what might be regarded as a fundamental change in role of the Student Estate.

Participant Democracy: the Camel's Nose under the Tent Flap

One consequence of the uproar which set cars alight on the streets of Paris, Amsterdam, Louvain and Berlin was, ultimately, to redefine the bounds of internal decision making and participation for all three of the 'internal Estates' – students, lecturers and administrators. This was contained in legislation such as the Austrian *Universitätsorganisationsgesetz* of 1975, the German *Hochschulrahmengesetz*, the Swedish reforms of a couple of years later, not to mention the spate of law-giving in the Netherlands around the same time (Shils & Daalder, 1981; de Boer, 2001).

It is usual to analyse these developments in terms either of changes in governance or as examples of the thrust towards participant democracy (De Groof, Neave & Svec, 1998, Trow, 1998). They may also be viewed from the Stakeholder perspective. Indeed, they lend themselves to this interpretation very easily. On the one hand, their provisions gave a 'stake' to non-professorial staff and students in decision-making. And conferred formal responsibility though whether it also conceded influence is a different matter.

German legislation was even more explicit. The time-honoured notion of the *Ordinarienuniversität* – the University of the Professors – was replaced by the concept of the *Gruppenuniversität*. This is usually translated as the University of Representative Groups which is as good a description of the 'University of Stakeholders' as one might possibly wish.

In effect, legislation usually associated with changes in governance was also an exercise in laying down a new balance between major stakeholding constituencies and formally defining the respective domains of decision-making between now formally recognised internal stakeholders. Inasmuch as this was written into law it was a watershed in itself and also a marker event along the road towards the 'stakeholder concept' in higher education.

The Student Estate: Instrument of Change in a Stakeholder Society

Certainly, students now possessed a decisional stake in the university. As the dominant perspective in higher education policy shifted away from higher education as an extension of the welfare state towards a more neo-

liberal focus on quality, efficiency and flexibility, which it did from the early Eighties onward, so a corresponding shift took place in the way students were perceived by government and thus, the way they ought to be served by higher education. Designating students as 'consumers' marks a further stage in the move towards higher education conceived within the 'stakeholder nexus'. As consumers, students are not simply agents of demand. Nor are they solely representatives of their group of origin, though this aspect continued to be scrutinised, if anything more closely. Rather, governments came increasingly to see the student body as the prime channel for the direct transmission into higher education of society's press for change.

The introduction of such notions as 'cost recovery' and the switch of student support from subsidies or grants to loans was not simply cutting the umbilical cord of the student to the welfare state. Whether presented in terms of 'offloading' or diversifying the financial burden onto other sectors of society in return for the services the university could render, the process of 'privatisation' contained some remarkable parallels with the theory of possessive individualism or its basic assumptions. And possessive individualism, as I have suggested earlier, lies at the ideological heart of Stakeholder Society.

Yet, if there were striking parallels with that earlier notion, there were also equally striking differences. In its original form, possessive individualism was seen as upholding social stability by giving the individual an interest – a stake – to defend. The contemporary edition of this relationship restores to the individual the notion of having a stake and one that is assumed either personally or by one's primary groups. That is the rationale behind the development of student loans in place of grants or even the more theoretical discussion that focuses on vouchers. But the purpose of the 'stake restored' quite apart from making the individual conscious of the choices to be made in investing in him – or her self – lies in a very different direction, namely to accelerate the pace of institutional change.

The latter day version of 'possessive individualism' which arguably parades under the flag of 'marketisation' of higher education in Western Europe stands then as a major step forward in the revival of the stakeholder nexus. Far from upholding established relationships between Government, University and Society, on the contrary, the pragmatic consequences of this

doctrine rediscovered contributed to the rapid erosion of what I have termed 'the regulated order'.

Evidence for the erosion of the 'regulated order' is not lacking. Indeed, if one is so minded, one may interpret the 'repatriation' (Huisman, Maassen & Neave, 2001) back to the individual institution of such functions as internal budgetary allocation, the liberty to seek sources of revenue outside the public domain as indeed, the reform in systems of governance, and the obligation to plan strategically, as measures to equip the university precisely to survive in a new Stakeholder environment. And by the same token, the putting in place of systems of institutional evaluation and quality assurance fall within the same perspective. They are, if you think about it, ways of allowing individuals as potential stakeholders to judge where best to have their stake fructify. In this environment, the place of a 'regulated order' resembles nothing so much as Monty Python's Norwegian Blue Parrot: if not dead, deceased, defunct and no more – then certainly much enfeebled! Whether the next stage in the development of the Stakeholder nexus is to be seen in the looming prospect of 'commodification' – that is, making learning a purchasable product – is a development that most certainly warrants further and sustained thought, if only for the fact that it bids fair to turn what is a 'perspective' into a 'prospective'.

Thus, in the place of ties with the national community which the 'regulated order' upheld for almost two centuries in Western Europe, Stakeholder Society fragments that community back into what French political jargon would term 'sectional interests', employers, industry, service partners, '*partenaires économiques*', some proximate, others distant.

Contractualisation

There is one final dimension in the rise of Stakeholder Society that deserves our attention. It is the notion of 'contractualisation' – a barbarism in English but perfectly respectable in French. It too is a central item in the stakeholder nexus and is sometimes discussed under the rubric of 'conditionality'. The principle of conditionality is fundamental. It says that just as a stakeholder has a part in a venture, so he also has the right to protect that interest. He may do so either by threatening to withdraw his 'stake' or effectively doing so. Thus the fundamental relationship between institute

and 'stakeholders' – whether government, regions, students, employers or other interests for whom the university is engaged in servicing – is conditional on the latter's providing what the former want. The possibility that Stakeholders may make additional rewards or impose penalties depending on whether they reckon they have been served well or ill is, of course, one of the boons and at the same time, the bane that universities face as the stakeholder ethic takes greater hold. It is also an element of inherent instability which, if it serves to spur on competition within and between institutions and systems, also risks accentuating a short-term perspective.

Three Symbols and Two Central Questions

So far I have invoked two of the three symbols in the title of this chapter. Stake-holders in the form of some of the issues the Stakeholder perspective already brings to the world of higher education. The Cheshire Cat as symbolic of the tantalising definitional and methodological mind twisters we face. Let me bring in now the third symbol: the Seer.

Seers always look ahead. As was once said of a different time and a different people "*Your old men shall dream dreams and your young men shall have visions.*" So what is the vision we entertain by developing the Stakeholder perspective? First, why should we explore the issue of the Stakeholder Society at all? In part, I have already answered this question at the outset of this presentation. I have done so in terms of the issue *sui generis*. But there is equally good reason why CHEPS should do so. Prime amongst these reasons is the fact that what we have reviewed in terms of enhancing student choice, also applies to institutions.

Maximising Choice: What is Sauce for the Student Goose is also Sauce for the University Gander

If students may elect to have a stake in a particular university, the greater initiative that fifteen years of reform places in the hands of university leadership also means that the university has the choice of which community – local, regional, national and international – it will serve.

Or in more realistic terms: which combinations of communities. For just as external constituencies – whether municipalities, regions or firms – may elect to have a stake in what the university has to offer, so the university, for its part, has consciously to make the choice of which community it desires to serve and in what combination. And, with the opening of Europe's frontiers this choice has never been greater.

A University must show some loyalty to the community that has fostered it. But, it has also to take account of the fact that the community, as I have suggested throughout this chapter, is no longer confined to the Nation State. That is one of the consequences that Europe opens up at the very moment when, often for the same reasons, the decline of 'the regulated order' takes place within the Nation State (Huisman, Maassen & Neave, 2001).

If, as is often argued, competition for students will make for universities developing different programme profiles – what higher education buffs term programme differentiation and thus greater institutional differentiation, (Goedegebuure, Kivinnen, Meek & Rinne, 1996) it follows that such variation will also attract a different stakeholder profile. At the moment, we know very little about how universities choose their stakeholders just as we know equally little about why external stakeholders choose a particular university with which to 'do business'. Yet success in the one is, I would suggest, no less vital than success in the other. And I am not even going to broach the issue of the impact – social and economic, direct and indirect each and both may have upon the fortunes of immediate region or community.

Particular Obligations for Twente and CHEPS

Let me also suggest why there is a particular obligation upon the University of Twente. Some four years back, in 1998, one of the good friends of this University, the American sociologist Burton R. Clark published a number of case studies on entrepreneurial universities. The University of Twente figured, rightly and prominently (Clark, 1998).

This work has become a classic in the field. It has become so because it identified a number of organisational forms that were singularly efficient and rapidly responsive to changes occurring outwith the campus. It was, in short, a graphic and eminently applicable analysis of how technological

universities have reached out and have organised themselves to reach out to the world beyond academia.

In the terms I have employed in this contribution, Clark's study showed how particular universities adjusted to a world that no longer observes – nor sets great store by – the 'regulated order'. But Clark's study, like so many of those which focus on the university's internal reforms – is in effect only one half of the story. It is part of that saga which tells how the University girds up its loins – to use a Biblical expression. We need to explore that perspective which stands as the natural complement to Clark's – namely, to analyse how such girding of loins impinges upon stakeholders, or those who have the idea of so becoming.

Let me also suggest why it is equally appropriate that CHEPS undertakes this work together with our colleagues in the School of Business, Public Administration and Technology. First, because it is a logical continuation of the mandate which was first conferred upon the Centre for Higher Education Policy Studies when it was founded in 1984. That mandate was to analyse and to inform the national community and government of those trends that shape higher education in the Netherlands and, no less important, in Europe. Here, I have to admit that, from a strictly territorial standpoint, we have wilfully transgressed and gone far beyond our mandate these few years past. We would plead our reluctance to say 'No' to those who want to have a stake in the expertise the Centre has built up over the years!

Second, because if my analysis holds good, then clearly Stakeholder Society is not just a contemporary phenomenon or fad. It is very clearly a long term secular trend, the identification of which is one of the rare services the historian can render the policy analyst.

Conclusion

For the historian it is precisely one of tasks of his trade to seek out the origins of ideas, examine the way they are taken up and used to shape institutions – in this case higher education. Much of stakeholder theory is recent, little more than four decades old. But if we apply a comparative and at the same time an historical perspective to it whilst bringing to bear some of the basic categories developed within the setting of the sociology of the firm – for example, ownership, power, legitimacy, perceived influence – we

open up vistas wider, broader and certainly more venerable than previous observers were ready to admit – even supposing they were interested in this dimension – which in most cases they were not.

In tracking the historical antecedents and the changes in the social models that accompany the notion of 'stakeholding' in higher education, I have focused less upon systems and institutions than upon the evolution of ideas and beliefs that have shaped those systems and institutions. It is useful to do this, very especially so as the pace of change accelerates. An occasional look at present ideas in the light of their intellectual origins serves to strengthen our resolution to press on with what we are doing today.

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**Higher Education
Globally: Towards new
frameworks for research
and policy**

Marijk van der Wende

Higher Education Globally

Towards new frameworks for research and policy

Marijk van der Wende

Introduction

The frameworks within which higher education operates have become more international over the last decades. We speak now not only about the internationalisation of higher education but also about its globalisation. The key question is what this means: there is clearly a geographical expansion in focus and an increased level of inter-dependence of national systems, but does the globalisation also mean that higher education frameworks are becoming more global in the sense of less nationally specific? Can we still speak meaningfully of national higher education systems and policy? What influence do these changes have on the role of different stakeholders, what does this mean for policy and steering processes in higher education, and for research into higher education? These are some of the central questions that this paper seeks to address.

The Internationalisation of Higher Education

The recognition that higher education has an international dimension is not new. We were all intellectually raised on the argument that research has an intrinsically international character. We all acknowledge our roots in the Middle Ages when Erasmus of Rotterdam and other “wandering students” transversed this continent to study at different centres of learning. Despite the authenticity of this example, it does not substantiate the often advanced position that higher education has always had, and has inherently, an international character.

In the first place, nation states have played a crucial role since the nineteenth century in the development of the modern university. In part this role related to the initiation and regulation of training programmes for important legal, educational, medical and military functionaries. In this context Neave (2001) refers to two centuries of nationalism in higher education.

Secondly, very few higher education institutions can lay claim to a centuries-old international tradition for the simple reason that two-thirds were established after 1900 and half after the Second World War. The modern university, therefore, is a national institution (Scott, 1998, p. 123). Thirdly, the extent of international activity and orientation in education and research varies enormously depending on the discipline and professional area concerned.

Finally, very limited numbers of students and staff have actually participated in international activities¹.

Nevertheless, in the second half of the twentieth century a gradual change in the extent to which higher education policy was nationally determined and orientated can be observed. Increasingly national governments began to interact with each other on (higher) education policy with the OECD, UNESCO and the EU Council of Education Ministers serving as important forums. In these discussions the comparison of educational policies, and in particular their effects, assumed an increasing importance. A natural development was that these organisations began to establish institutes focussed on international comparative data collection and analysis². In the Netherlands, CHEPS³ became a pioneer in demonstrating the contribution that international comparative research could make to policy debates on higher education. In addition, more policy attention came to be paid to the internationalisation of higher education itself⁴. In some cases OECD reports indicating a narrow national orientation in the fields of higher education and research served as a catalyst for individual countries to develop internationalisation policies⁵, but in general the major spur to action was the process of European integration and more specifically EU programmes in the field of higher education (Van der Wende, 1997).

It is clear that since the Second World War we have seen more actual international co-operation between nations in the field of higher education. For a long time this co-operation was limited to the creation of enhanced possibilities for co-operation and exchange at the level of individual students, scholars and institutions. More recently this international co-operation has extended to the level of higher education systems, notably in the context of the Bologna Declaration that was signed in 1999. In the Bologna Declaration, 29 European countries agreed to harmonise their higher education systems. This has led primarily to the reform of degree structures in these countries to an undergraduate-graduate system (Haug &

Tauch, 2001). Alongside these reforms, and of no less significance, the Bologna process has also strengthened the international dimension to higher education policy (Van der Wende, 2001b). Nevertheless, these international policies are still decided and implemented at the national level. In the context of the EU it is important to remember that no legal or political powers or responsibilities in the field of higher education have (yet?) been transferred to a supra-national level (notwithstanding the Treaties of Maastricht and Amsterdam). European policy is confined to agreements on co-operation between (and more recently the harmonisation of) national systems. These agreements are seldom legally binding⁶. All of this suggests that higher education systems in Europe are indeed coming to resemble each other, and are increasingly mutually interconnected. The key question remains, however, whether this will also lead to the integration of the different systems and the extent to which this is a desirable or necessary outcome. A related question is then whether EU policy is sufficiently strong and far-reaching. I will return to this point later in the paper.

First I will give a brief account of the different factors and initiatives that have played an important role in the internationalisation of higher education, their underlying rationales and their key consequences. If we look at post-world war two developments in Europe it is evident that geo-political factors have played a major role (Blumenthal et al, 1996, De Wit, 2002).

- One of the ways in which the post-war reconstruction of Europe was supported was through the stimulation of scientific co-operation between the USA and Europe. The Fulbright programme is a prime example of this. These policies led to a multiplicity of bilateral, individual, research orientated contacts and enhanced North-North mobility and co-operation.
- The process of de-colonisation in the 1950s and 1960s resulted in new forms of mobility and co-operation aimed at the development of a new intellectual stratum in the former colonial nations. In the first instance students from these countries were enrolled in European universities (South-North mobility), sometimes in regular programmes (for example, in Germany and France) but also in specially designed institutions such as the Institutions for International Education in the Netherlands⁷. Subsequently countries such as the Netherlands placed greater emphasis on developing training capacity in the former colonial nations themselves by way of North-South co-operation.

- The first forms of multilateral exchange and co-operation developed in the eighties in the context of the process of European integration. This process saw the creation of the world's largest programme of this nature – the ERASMUS programme, now part of the SOCRATES Programme for Education and Youth.
- After the fall of the Berlin wall both individual European nations and the EU developed extensive co-operation programmes with the countries of Central and Eastern Europe. In the framework of the EU programmes (including TEMPUS) this took the form of multilateral exchange and co-operation, but this time on a West-East axis.

The strengthened international dimension of higher education is not only a consequence of these geo-political developments. It is an explicit response to support the processes of reconstruction, nation-building and economic and democratic reform through co-operation, capacity building, knowledge transfer and the education of a local intellectual cohort to modern and international standards. In this context we can speak of a *political* rationale behind the process of internationalisation that has now an almost independent existence in the policies of higher education institutions and (supra) national authorities. From the middle of the 1990s this process was conceptualised increasingly as: “The process of integrating an international dimension into the education, research and service functions of a higher education institution” (Knight & de Wit, 1995).

Other rationales also played a role. Within European policy there was a particular concern for the promotion of mutual understanding and knowledge of different languages and cultures: the *cultural* rationale. In the 1980's a specific *academic* rationale became more explicit which focused on internationalisation as a means to enhance the quality of education and research⁸. Finally, a fourth rationale can be identified which came to assume an increasingly prominent role in relation to the three mentioned previously: the *economic* motive for internationalisation. In its various forms this relates, directly or indirectly, to the international competitive power and position of a region, country, education system or individual university. A distinction can be made between the short and the long-term objectives that such policies contain. Short-term objectives include the generation of additional institutional or national income from international activities. In a longer term perspective different objectives may come to the fore such as education for an international labour market and the strengthening of

international trade relations by foreign students playing an ambassadorial role for the country in which they studied (Van der Wende, 1997, 2001a). Recent research suggests that the economic rationale has become dominant in Europe and that the competition paradigm is now more significant than the co-operation paradigm (Van der Wende, 2001b). This appears to be linked to the process of globalisation and its impact on higher education.

An alternative definition of internationalisation is then: “Any systematic attempt to align higher education (more closely) with the demands associated with the globalisation of society, economy and the labour market” (Kälvermark & Van der Wende, 1997, p. 19). I will return to this point later.

The most important consequences of internationalisation can be summarised as follows:

- A significant increase in the mobility of students and scholars, although the degree of mobility varies markedly by discipline, and serious imbalances exist in the flows between different countries and regions.
- A broadening of the range of activities associated with internationalisation: from an almost exclusive focus on individual mobility to more sophisticated strategies encompassing curriculum development, research co-operation, staff development and quality enhancement (Teichler, 1999, Van der Wende, 2001a). Examples include the development of international educational programmes, joint or double degrees, international accreditation, etc.
- Internationalisation has come of age: from a marginal to a more central institutional concern that is increasingly recognised to be of strategic importance (Barblan et al, 2000). Examples here are the international consortia initiated by groups of institutions to enhance their international profile and market position.
- Internationalisation has broadened to become a characteristic not only of universities but also of other higher education sectors. In the Netherlands the higher vocational education sector made major progress in this regard in the 1990's⁹.
- The use of English as the language of scientific research and international communication about higher education has become even more prevalent. English is also increasingly used as the second language of instruction, particularly in countries with relatively “small” national languages such as the Netherlands and Denmark.

- Finally, the rapid development of the internet has strengthened and extended the possibilities for international co-operation (Collis, 1998).

Globalisation: a New Phenomenon?

In recent years there has been more and more discussion of the globalisation of higher education. The interesting question is why this is the case, and if this is something different from the attention paid to internationalisation. Are we really talking about a different phenomenon, is this really something new, is it only a question of a new “in vogue” concept, or does the use of the term signal a stronger form of internationalisation than in the past? In the first instance I will situate these questions within the broader debate around globalisation. The question of whether globalisation is indeed a new phenomenon has played an important role here as well.

Giddens (2001) identifies two phases in the globalisation debate. The first phase (1985-1995) took place primarily in academic circles and focused on whether globalisation did represent a fundamentally new development. Some scholars (including Ohmae and Castells) argued that this was the case citing the increasing internationalisation of economic activities and financial markets and the associated growth in the mobility of capital, goods, services and people in the last three decades¹⁰. Sceptics (including Hirst & Thompson, 1996) countered this argument noting that globalisation does not represent a new reality as from as early as the late middle ages there have been increasing levels of international activity and interrelatedness, and that particularly from the end of the 19th century a major growth in international trade and mobility can be observed¹¹. They argue further that these processes are concentrated in the triangle of Western Europe – North America – Japan, so while the world economy is clearly becoming more international, it is not global¹². This debate has been more or less resolved with a fair degree of consensus now existing that there is a fundamental difference between current developments and those of one hundred or more years ago (Giddens). The essential difference is that the changes of the past two to three decades are qualitatively faster, more far-reaching and comprehensive than those around the turn of the previous century or before, primarily due to developments in information and communication technologies¹³. There is also agreement that we are

witnessing an increase in mutual interdependence in economic terms, higher levels of global and inter-regional competition, an increase in problems that cross national borders, and a greater influence of international policy (Held & McGrew, 2000, p. 38). Finally, it has been demonstrated that the sceptics have concentrated too much on the financial-economic aspects of the process of globalisation and have overlooked the political, social and cultural elements of this process (Guillen, 2001).

The second phase of the globalisation debate is notable for the fact that it has become a public debate. At least since Seattle in 1999, it has been a debate taken to the streets¹⁴. The concern is not whether globalisation exists or whether it is a new phenomenon but about its consequences. High levels of polarisation and a strong anti-globalisation movement are added features. Yet it is striking that both proponents and critics focus again on the economic aspects of globalisation: trade liberalisation, international monetary policy, the integration of financial markets and the role of multi-national corporations. As indicated earlier, in the literature in general different aspects of globalisation have been distinguished. While this has enriched the interpretation and analysis it has certainly not simplified it. The explosive growth in the number of scientific articles published on globalisation is a clear indication of the extent to which the topic has occupied the minds of social scientists over the last 10 years.

Globalisation: Concept and Complexity

The complexity of the concept of globalisation relates not only to its different elements but also to the enormous scope of the process to which it refers. The process is far from unequivocal: it is fragmented, incomplete, and in many respects contradictory and confusing. The analysis of this process proceeds from different starting points, disciplinary perspectives and ideological positions – whether these are explicitly adopted or implicit in the analysis. It is hardly surprising that globalisation is currently one of the most contested subjects in the social sciences and that there is disagreement and a multiplicity of views on its conceptualisation. I endeavour to find a way through this labyrinth by limiting myself to those aspects most relevant to higher education.

Globalisation: Defining the Process in Terms of Time and Space

In general globalisation is summarised as a process both driven by, and resulting in, increased cross-border flows of goods, services, money, people, information and culture (Held et al, 1999). In the further conceptualisation of this process, concepts of space and time, and their uncoupling, transcendence or compression, play a central role (Ohmae, 1990, Giddens, 1990). The significance this has for social relations and interaction is a second important dimension.

Giddens (1990) defines globalisation as: “The intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa”. Two elements of this definition are particularly important: we are talking about an intensification of social relations, and this entails a process wherein the global and the local exert mutual influence upon each other. Held (et al, 1999) also gives a central place to the changing spatial organisation of social relations. Their definition reads: “Globalisation can be thought of as a process (or set of processes) which embodies a transformation in the spatial organisation of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or interregional flows, and networks of activity, interactions, and the exercise of power”. Once again this stresses that it is not a question of everything becoming global, but of flows and activities between (particular) continents and within regions. Held goes on to demonstrate how these change social relations in an analysis in which we can recognise Giddens’ notion of intensification. These changes can be determined in terms of scale (geographical reach), intensity (number and volume of flows), speed (of the movement of flows through space), and impact (total effect on society and the economy). Space and time also play a role in Castells’ (2000) analysis. He argues that new social forms of space (“space of flows”: simultaneous activity without geographic proximity) and time (“timeless time”: compressed and without sequence) coexist with their traditional forms. This is integral to his analysis of the “new economy” where *global*, *information* and *networks* are central concepts. The economy now has the capacity to operate as a single entity in real time on a planetary scale. He refers to the informational society, a specific form of social organisation where the generation, modification and transmission of knowledge is the most fundamental source of productivity as a result of the

new technological possibilities opened up in this historic period (2000, p. 21). One of the most important characteristics of the new social structure, and the logic of its basic structure, is that it is composed of networks. Castells also speaks more generally about the network society but this does not exhaust all of the characteristics of the informational society. The key technological enabler for the development and functioning of these networks is the Internet: a technological application that makes possible new ways of transcending space and time.

Globalisation and the Role of the Nation State

New forms of information and communication technology and the dynamics of multinational corporations are clearly important driving forces behind the process of globalisation. But in reality, Castells argues, national governments, particularly those of the wealthy western countries (G7) and their – in his view – subordinate international institutions such as the IMF, the World Bank and the WTO, have played a not to be underestimated and deciding role. They have done so through three mutually inter-related policy lines: [1] the deregulation of domestic economic activities; [2] the liberalisation of international trade and investment; [3] the privatisation of public controlled enterprises (2000, p. 137).

In this assessment the role of national governments seems unaffected; they retain responsibility and they control policies in critical areas. However, a rigorous debate has developed about the impact of globalisation on the role and position of the nation state. On the one side it is argued that globalisation is eroding the role of the nation state. Globalisation erodes the nation state and in the process its sovereignty, autonomy and legitimacy are weakened (see amongst others Beck, 2000, Ohmae, 1995). The alternative view suggests that the nation state is not disappearing but that it is adjusting and changing (Castells, Giddens), or that it will disappear only if it doesn't (Carnoy, 2001). This debate has also highlighted the fact that it is not globalisation itself, but the neo-liberal trends associated with it – such as the promotion of free trade – that are threatening the role of the nation state (Guillen, 2001). Some argue that this is a result of government policies at a national and international level (Castells, 1996). Others believe that there is a vacuum in the governance of national economies that has not been fully filled by international and inter-governmental agencies (Strange, 1996).

It is also acknowledged that economic globalisation is an uneven process that furthers global inequality, not only between but also within countries. A horizontal segmentation between winners and losers in the process of globalisation results in a weakening of social solidarity and presents real challenges for the unity of nations (Castells). The theoretical contestation in this debate can be traced back to divergent perspectives originating respectively in world system and international relations theories. In the first the concept of worldwide social relations (and not society confined within the borders of the nation state) is central. In the second theory the development and strengthening of linkages between nation states is emphasised, but the prospect of a world state is not seen as a viable proposition (Giddens, 2000)¹⁵. From the second perspective globalisation can be seen as a reflection of changes that have occurred in the way nation states are governed (Clark, 1999).

Convergence, Divergence and Inequality

An important question concerning the process of globalisation is whether it leads to convergence or divergence in social, political, economic and cultural terms. Here again there is contestation in the debate (see Guillen for an overview). For a long time it was anticipated that the opening of markets and the distribution of technology would lead to greater convergence amongst post-industrial societies. Once again the world-system (or world-society) perspective suggests that nation states will increasingly display structural similarities. But also that this may imply a de-coupling of aims and structures and of intentions and outcomes. In this regard it is apparent that despite growing similarities in form there is a growing inequality in outcomes (Meyer & Hannan, 1979). This inequality implicit in the process of globalisation, and indeed its contradictions, is recognised from many perspectives (Giddens, 2000, Held & McGrew, 1999, Castells, 1996, Strange, 1996). Emphasis has been placed in particular on the rising levels of inequality between and within countries¹⁶, which Castells has described as a parallel process of development and underdevelopment, and of inclusion and exclusion.

Anti-globalisation Arguments

Representatives of the anti-globalisation movement¹⁷ base their criticism of globalisation primarily on the phenomenon of increased inequality and argue that international organisations and specifically multi-national corporations have become too powerful. These drive the globalisation process, which leads to social exclusion and oppression while at the same time the corporations largely escape democratic control. In both political and academic discussions about globalisation the need to recognise and analyse these anti-globalisation arguments is increasing. While this may be attributed to political pragmatism, from a theoretical perspective the importance of agency, interest and opposition in the formulation and outcomes of policy processes has been stressed (Guillen, 2001). From both political and scientific perspectives the importance of recognising and analysing the positions and roles of different stakeholders is acknowledged increasingly.

Globalisation and Higher Education

The foregoing short analysis of globalisation has identified a number of concepts and notions that I will now develop for application to the field of higher education. The key issues are:

- [1] the flows of people and services across borders, and the role of information and communication technology in this process;
- [2] the changing role of the nation state in relation to trends towards deregulation, liberalisation and privatisation;
- [3] the question of convergence or divergence; and
- [4] the role of stakeholders (including anti-globalisation arguments) in the process of globalisation.

Trans-national Flows of People and Services: the Role of Networks and ICT

As was indicated early on in this paper, cross-border mobility of people within higher education is not a new phenomenon. In recent decades the internationalisation policies of governments and institutions have focussed primarily on stimulating organised mobility and exchange. This entails the

movement of people (mainly students) in more or less predetermined numbers between clearly defined and highly varied national higher education systems. The consequences of the differences between systems are bridged through mechanisms such as the recognition of study credits and diplomas, tuition fee calculations etc. based on agreements between countries that do not bring either the boundaries or the competencies of the national systems into question.

Free mobility has developed into a market wherein higher education institutions eagerly recruit foreign students. And in recent years yet another trend has emerged that has been termed “Moving education, not learners”. This trend is a result of the rapidly increasing demand for higher education¹⁸. On the one hand this demand concerns increased access to the initial phase of higher education particularly in specific developing and transitional countries where strong economic development is occurring. In western countries the desire to increase the participation of 18–24 year olds in higher education is also still apparent. Knowledge economies after all need large numbers of highly educated people. In addition it is clear that the rapid expansion of our knowledge base means that a single higher education experience is not adequate anymore: life-long learning is required. For countries with an ageing population and relatively few young labour market entrants this need for life-long learning is particularly pronounced. Many national higher education systems are not in a position to respond to these demands for more and different forms of higher education. In financial and logistical respects regions such as Asia are not able to rapidly develop new institutions of significant scope. In countries where the demand is primarily for life-long learning, traditional institutions often find it difficult to enter the realm of more student-orientated, competency-based learning that is flexible in terms of the time and place of study. This mismatch between demand and supply at the national level has given rise to the development and substantial growth of education as an export commodity and in particular to what has been termed transnational education¹⁹. In principle this means that it is not the learner but the institution that is mobile. Sometimes this occurs physically through branch or overseas campuses, more often through co-operation agreements with local providers (who offer the programme through a licensing or franchise arrangement, or act in a supporting role in distance learning programmes) and increasingly through the provision of education via the Internet²⁰ (Van der Wende, 2002a en 2002b).

Although the rapid growth in transnational education is frequently cited, there is limited systematic data available. The economic importance of higher education as an export sector can be demonstrated as follows. In the USA education is one of the five top sectors in the export of services (generating \$10 billion in 1999), education generates 4% of the UK's service export income and in Australia education is one of the top five export items (NCITE, 2000), generating \$3,7 billion excluding tuition fees (DETYA, 2001). The three countries are the world's largest education exporters.

Transnational education offerings constitute a cheaper alternative to study in a foreign country but are often more expensive than local offerings. The preparedness to pay this premium appears to be related to the perceived added value of a Western diploma on the local and international labour markets. In addition, employers are sometimes prepared to pay more for transnational programmes. It appears that purchasing power is a key component of this market: international providers compete not only with traditional educational institutions but also with new types of providers such as for-profit, virtual and corporate organisations. It is important to recognise that this market does not only operate in developing and transitional countries and regions but also within Western Europe. Importing countries are primarily Greece, Spain and Italy with the USA and the UK the major exporters (Dos Santos, 2000). North Western Europe is itself seen as an interesting potential market by institutions such as the University of Phoenix (USA) and Monash University (Australia).

The extent of the market, the level of investment needed and the expertise required to offer virtual education in particular, make it impossible for many institutions to enter the market on their own. Co-operation is sought with other higher education institutions an/or with private companies. In recent years a number of internationally operating consortia have been established of which the best known example is Universitas 21 that works in co-operation with Thompson Learning Systems Ltd.²¹

In terms of Held's definition of globalisation there is a clear transformation in the spatial organisation of social relations in these new forms of educational provision (in this case between educational institution, content and student) that results in transnational flows and networks of activity and interaction. The transformation consists of the rapidly broadening geographical scale of educational provision, and the increasing intensity

(volume) and speed of transnational flows. However, trans-national education is not simply about the flow and mobility of students, but about flows of services. Education is now seen as a service provided on an international market. In contrast to transnational flows of students, national boundaries become blurred and the competencies and responsibilities of national governments are challenged in this situation, particularly when ICT plays a significant role. What powers of control or regulation do national governments have over foreign providers or over offerings distributed across the Internet, and what responsibilities do they have to domestic consumers of these products?

The home governments of transnational providers also face questions over their activities beyond national borders. Such providers often fall outside the reach of national quality assurance mechanisms²², which has highlighted the need for a supra-national approach in this area (Van Damme, 2001; Van Vught, Van der Wende & Westerheijden, 2002). Institutions also take on different forms and capacities in these activities: a publicly financed institution may operate internationally as a private organisation or company. International networks and consortia further extend the range of geographical, financial and legal possibilities and even allow institutions wishing to do so to escape national laws and regulations²³.

The Changing Role of the Nation State: Liberalisation, Deregulation and Privatisation

The trends described above do not imply that national boundaries and governments are no longer obstacles to transnational provision. On the contrary, providers orientated to the international market encounter all manner of problems with regard to establishment requirements, tax legislation, the recognition of awarded diplomas etc. (NCITE, 2000). This situation lies behind recent proposals made by the USA, Australia, New Zealand, and Japan concerning the further liberalisation of the international trade in educational services. Education has fallen within the ambit of the General Agreement on Trade in Services (GATS) of the World Trade Organisation (WTO) since the Uruguay round of negotiations (1987-1994)²⁴, but remains the area where countries have made the least commitments to date²⁵. The countries mentioned are now proposing new negotiations with

the goal of increasing the accessibility of national education markets to foreign providers. The most important submission, from the USA, proposes to limit this access to the higher and adult education and training sectors and to situations where there is already domestic competition – in other words where private providers already operate²⁶. Under the provisions of GATS, services “provided in the exercise of governmental authority” are excluded from international competition.

There is thus a clear plea for the further liberalisation of international trade in educational services. In the context of the existence of a global economy, as outlined by Castells, this call cannot be separated from processes of deregulation and privatisation. A process of deregulation has occurred in higher education in many western countries in the past decades whereby the influence of government has declined relative to the autonomy of institutions and the role of the market (Clark, 1983, 1998; Dill & Sporn, 1995, Goedegebuure et al, 1994). In other countries a more centrally regulated system still exists. The situation with regard to privatisation also varies considerably across different countries. In some countries such as the USA and Japan public and private sectors have co-existed for a long time, while in others the public sector dominates²⁷. Overall a growth in the market share of private providers can be observed, linked to the growing demand for higher education that the public sector in many countries is unable to respond to, as outlined earlier²⁸. This trend is most apparent in regions such as Central and Eastern Europe, Latin America and Southeast Asia and has been supported in part by the World Bank that stimulates an increasing private contribution to the costs of education (Cohen, 2001). The relationship between the public and the private sectors and the way that this is dealt with by governments also varies enormously by country. In many countries private providers avoid government regulation partly or fully and are classified as part of the non-official higher education sector (Kokosalakis, 1999). Whether this term is always relevant depends in part on the delimitation and definition of public and private higher education. In OECD terminology this refers to whether a public authority or private entity has final control of the activities of the institution. In policy debates this is often complicated by how an institution is financed. In the Netherlands we know well that the locus of control and the source of finance need not be the same²⁹.

Given these differences in respect to deregulation and privatisation it is not unexpected that countries will react differently to proposals concerning the further liberalisation of international trade in educational services. The reasons for this go deeper than different visions on competition in the public sector and the government’s role in this. They also explicitly relate to ideological conceptions about higher education as a public good (achievement and rights), or as a trading good on an international market. Different national responses are also related to how a country assesses its competitive position in terms of threats and opportunities on this market. The Dutch government that has steered higher education “at a distance”, has stimulated competition in the public sector since the first “purple coalition” (1994 – 1998)³⁰ and already accepted private providers in the higher education market³¹, has responded with an open mind. In the latest policy statement on internationalisation of the Ministry of Education, Culture and Science³², globalisation, higher education as a trading commodity, competition and commercialisation (including e-learning and corporate universities) are described frankly. It is suggested that this new environment will require a serious engagement with the issues raised: “Sooner or later new providers will make their way to Brussels or the Netherlands Competition Authority to complain that it is unfair competition for publicly funded institutions to operate in the commercial market” (p. 10). It is argued further that the national government will play a different role under these circumstances. It will increasingly concentrate on creating a sound framework within which autonomous institutions should operate. Related to this a shift from supply-driven to demand-driven steering and funding is being considered. Government will also need to play an increasing role on the international stage, in particular in terms of inter-governmental agreements within Europe (p. 10 and following). It is clear in this assessment that the Dutch government does not see liberalisation policies to be in conflict with deregulation and privatisation, sees opportunities for the country in this market and is therefore not defensive in its response. This is not the case in all countries, and not all actors within the Netherlands agree with this position. In general there is serious concern over loss of sovereignty over one’s own system, the implications for the public sector (including funding) and the influence of foreign providers. It is also not clear what the concrete implications could be for particular countries³³, particularly when these are dependent on the commitments made by each country and the conditions they attach to these.

The Dutch example makes it clear that the role of the nation state does not so much disappear as a result of globalisation, but changes and shifts. Increasing competition leads to greater attention being paid to informing and protecting the consumer, and in doing so concern about the quality of programmes certainly does not diminish. In the Netherlands, partly as a result of international pressures, there will be a move towards accreditation that will also be able to incorporate foreign offerings. In Australia, international competition has also led to a strengthening of the quality assurance system (McBurnie, 2001).

The changing role of government is evident: it is no longer a role limited to national concerns but one where inter-governmental co-operation is of increasing significance. Globalisation is mainly having an impact on the role of governments through trade liberalisation. The extent to which governments or inter-governmental agencies are able to exert serious steering influence in this process is, in the case of higher education, also the subject of divergent opinions. Carnoy (1999) points to the increasing tension caused by globalisation, particularly in developing countries. He argues that on the one hand in the framework of trade liberalisation nation states are expected to create conditions for economic and social development, including the production of more highly educated citizens and the stimulation of knowledge production. On the other hand, globalisation increases pressure on governments to reduce their steering role and financial contribution to education. The double challenge is therefore to produce more higher education graduates with a lower governmental contribution per graduate. There is thus concern about the effects of globalisation on the position of higher education in developing countries in relation to that in western countries: "The fear is also that transnational education will be detrimental to smaller nations and languages. It will exacerbate dramatic inequalities among the world's universities, with a dominant role of the world-class universities in Western industrialised countries. Smaller and poorer countries will have little autonomy or competitive potential in the globalized world" (Altbach, 2001, p. 4.). This echoes Castells' observations on the parallel processes of development and underdevelopment associated with globalisation.

The question of the extent to which governments can act to steer international developments in the area of educational trade has a particular meaning in the European context. As indicated earlier, the European

Commission has little to no internal competence in the field of education. Yet it is the body that negotiates with the WTO on behalf of EU member states on the question of trade liberalisation. In the case of education this situation is therefore an extremely delicate affair, exacerbated by the fact that national education ministries do not appear in general to exercise significant control over the agenda. This role is played by ministries of economic affairs, which in strong exporting countries therefore also exert substantial influence in the field of higher education³⁴. In this area we see once again the changing role of government.

Convergence or divergence?

It is clear from the discussion thus far that the question of whether globalisation leads to convergence or divergence is also relevant to higher education. On the one hand there are efforts to achieve more formal resemblance between systems but on the other hand the differences in outcomes across systems appear to be increasing. Convergence as a result of globalisation can be assumed when it comes to system characteristics such as programme duration and qualification and criteria, standards and methods of quality assessment. In the framework of the Bologna process we see much activity on these fronts aimed at making European higher education more transparent and therefore more competitive on the international market. In addition the globalisation of a number of professions³⁵ is leading to the internationalisation of professional requirements which in turn leads to curriculum convergence (and in some cases uniformity). Convergence can also result from bottom-up co-operation in the field of curriculum development. Finally, particular methods of institutional management, educational organisation and teaching practice spread widely across the higher education world.

At the same time divergence as a consequence of globalisation can be expected when it comes to the outcomes of systems. The negative effects of heightened international competition can weaken the position of particular countries and institutions in relation to others through such mechanisms as brain drain. In a positive sense, institutions wishing to be successful on the international market need to distinguish themselves from others and to find their own distinctive niches.

The Role of Stakeholders

I indicated earlier that not all countries and stakeholders have adopted the same position as the Dutch government when it comes to globalisation in general and the liberalisation of educational markets in particular.

Higher education has its own anti-globalisation movement in which the stakes (power, interests) of the different stakeholders can be clearly distinguished. The established higher education institutions see a clear threat to their protected status of little to no competition and (an often exclusive) right to governmental funding. In an international declaration they have urged governments and other actors involved in the WTO negotiations not to make any further commitments concerning (higher) education³⁶. Various trades unions of education personnel have also taken a position against further liberalisation of the higher education market out of concern of the effects this would have on their legal position and on academic freedom³⁷. Amongst higher education researchers it is sometimes argued that the worsening employment conditions (e.g. more temporary staff and less academic freedom) that have accompanied greater managerialism, accountability and privatisation can be more or less directly attributed to globalisation (Currie & Newson, 1998). Students have mobilised, amongst others at a European level, over their concerns about the subsidisation of higher education and their fear that tuition fees will be introduced or increased and that student finance will be put at risk.

They argue that as higher education is a public good (and right) they reject the concept of students as consumers, seeing themselves rather as part of the academic community with a democratic right of participation in decision-making therein³⁸. These opponents of the globalisation of higher education are confronted on the one side by governments and other interest groups that strive to increase the profitability of (their) trade in education. On the side of the opponents appear to be governments and interest groups that believe higher education as a public good to be of paramount importance. An important question is, however, the extent to which these latter governments are currently able to offer adequate higher education, or put more strongly, are able to finance on their own an expansion of higher education offerings without losing quality. The latter constitutes one of the most important pro-globalisation arguments: the export countries argue that countries that maintain a protectionist stance when not in a position to offer adequate education are denying students higher education of good quality. Leaving aside the issue of whether and to what extent higher education can

be described as a public good³⁹, behind this discussion lies the question of whether the concept of public good should be inextricably linked to the nation state as provider and financier of it and thereby exclude higher education from trade and competition⁴⁰. In a globalising world this appears to be an outdated idea. The notion of a global public good is developing (Marginson, 2001a). These are public goods that are (increasingly) important for everybody across the world and that cannot be defined, regulated and controlled purely within the boundaries of nation states. A clean environment is the most obvious example, but (higher) education might also be considered this way. On the basis of national experiences we know that competition can contribute to the accessibility and quality of public goods. But across the world we are confronted with huge inequalities in the accessibility and distribution of higher education as a result of which countries have grossly unequal competitive positions. The question is how we can better distribute higher education as a global public good through honest competition. "It is important to remember that higher education is a public good with benefits that go beyond individual beneficiaries and institutions. Indeed there is a growing recognition of the global nature of this public good, given the interconnectedness of the global community" (Ramphela, 2001).

Globalisation and Internationalisation in Higher Education

I now return to the question posed earlier of whether the fact that globalisation is increasingly discussed in the context of higher education means that we are witnessing something new, and if so how this differs from internationalisation. In theoretical terms we can approach this question with the help of the concepts "interconnected" and "integrated" discussed earlier (Beerkens, 2001). In these terms internationalisation refers to the increasing interconnectedness of national education systems without the boundaries between them or the authority of national governments over these systems being brought into question. In contrast, globalisation refers to the increasing integration of flows and processes over and through boundaries that leads to a transformation in the spatial organisation of social relations⁴¹. This paper has shown that the development of transnational education, the use of ICT and international trade liberalisation have indeed changed the relations between government, institution and student. It has also demonstrated that the role of national governments has

been affected, although this has not been a case of their influence disappearing but rather changing. We can then conclude that globalisation does point to a new phenomenon in higher education and that the difference with internationalisation focuses on the change in the spatial organisation of social relations in higher education and in particular on the changed role of the nation state therein. Scott (1998, 1999) also refers to this distinction when he concludes that globalisation cannot be seen simply as a higher form of internationalisation. The relationship between the two concepts is therefore not linear or cumulative but of a different order. Internationalisation is predicated on a world order dominated by nation states while globalisation is more agnostic on this point. Scott argues that the relationship is in fact a dialectical one in the sense that “not all universities are (particularly) international, but all universities are subject to the same process of globalisation - partly as objects, victims even, of these processes, but partly as subjects, or key agents of globalisation” (1998, p. 122). Globalisation, which is characterised by increasing competition and a global division of labour, can even be seen as a rival of the old internationalisation.

From an empirical perspective, we can see that in the field of higher education a lot of thinking and quibbling has been devoted to this distinction⁴². Globalisation is first of all perceived as an external process upon which individual actors and institutions can exercise little influence (Van der Wende, 1999). Internationalisation is seen more as a steerable policy process. Globalisation is associated with international competition and internationalisation with co-operation between countries, systems, institutions and individuals. Internationalisation is therefore also seen as a response to globalisation in terms of co-operation for enhanced competitiveness, but also in the sense that internationalisation developed its own specific, internal institutionalised meaning in higher education as a reaction of institutions to the globalisation of their external environment⁴³. This institutionalisation had much to do with the fact that internationalisation is highly compatible with the goals and values of the academic world (Van der Wende, Beerkens & Teichler, 1999). Globalisation seems much less compatible, not least because of its association with competition, higher education as a tradable commodity and reduced academic freedom. At both system and institutional levels globalisation has led to tension in policy agendas between financial-economic interests and the concern for higher education as a public good (Scott, 1999, Marginson,

2001b). It is no wonder then that many higher education institutions see globalisation and particularly trade liberalisation as a threat and have issued the Joint Declaration mentioned earlier. They would prefer to stay within the realm of internationalisation that maintains the (sometimes difficult but so much) safer order of government regulation and funding of higher education. The alternative, the global market, is attractive only to extremely entrepreneurial institutions with enormous self-confidence, or institutions short of national sources of income. And perhaps most of all to those with a combination of these two factors.

To return to the question of the desirability of integration and the role and power of EU policy, one final remark about current European developments. The EU programmes for higher education and the broader Bologna process can of course be summed up as European co-operation for better global competition. Wholly consistent with the tradition of internationalisation, the boundaries between national systems and governments' competencies are not brought into question. Nevertheless, at the same time there is talk about a European higher education and research space and about joint frameworks, for example for the quality assessment of education and research. The concept of a single space does suggest the disappearance of boundaries and the ceding of competencies (integration) as has occurred in other areas of EU policy. But as indicated earlier, in the field of (higher) education there is (as yet) no suggestion that this is actually happening. Furthermore, there is the question of whether or not the concepts “space” and “market” are interchangeable. The policy rhetoric denies the existence or even the possibility of an education market in Europe and appears to have an incomplete vision of the wider international market for higher education and the position of European higher education within it. The European policy response to the globalisation of higher education has therefore not yet fully crystallised (Van Vught, Van der Wende & Westerheijden, 2002). This is likely to be a problem in the forthcoming negotiations over GATS and may increase the room for manoeuvre for individual European countries. This places European co-operation and the concept of European co-operation for better global competition under further pressure. Whether this will result in the prospects of an eventual integration process receding further into the future, or in a greater recognition of the need for this integration, will be evident only in the years to come.

The Implications for Higher Education Research

In the preceding sections it was apparent that internationalisation and particularly globalisation have implications for higher education policy and the role that governments, institutions and other stakeholders play in the policy process. Changing frameworks lead to shifts in responsibilities and competencies and to a new dynamic between actors (the transformation of the spatial organisation of social relations). I will now turn finally to what this implies for research on higher education policy.

The CHEPS research programme for 2001 – 2005 and the “Institutional Change” research programme of the newly established Institute for Governance Studies (in which CHEPS staff are active) provide important lines of investigation that have generated the following clusters of questions:

- How does the “new architecture” of higher education systems take form?
- Which new institutional arrangements exist between different stakeholders at the sub-national, national, and supra-national levels, and how do these develop?
- How do these forms of multi-level governance (Sharpf, 1999) influence the modes of co-ordination of higher education systems? To what extent can we still talk of national systems (the question of de-nationalisation)?
- Through which forms of organisational adaptation do higher education institutions respond to these institutional changes?
- What role do networks, information and communication technology and new providers of higher education play in this process?

With respect to the first cluster of questions it is important to analyse the ways in which regional treaties and free trade agreements (as exist in the European Union and other regions)⁴⁴ influence higher education. For example, this influence can be indirect through agreements concerning the free mobility of people and services, the recognition of professional qualifications, competition agreements and employment guidelines. But the influence can also be direct through policy, goals and actions in the field of higher education itself. It is then important to analyse what the new agreements concerning the further liberalisation of trade in educational services in the framework of WTO/GATS will mean for higher education, and how these are related to the regional agreements and treaties noted earlier⁴⁵. To gain real insight into the new institutional arrangements that

result from these agreements and behaviours, and to understand the way in which these develop, it is important to clarify the role played by different stakeholders at different levels. Here we need to distinguish the roles of intergovernmental organisations, national and regional governments, organisations that represent higher education institutions or act as promoters of their interests, professional bodies, employer organisations, trade unions and student organisations and their representatives at the sub-national, national and supranational levels.

In connection with the second cluster we need to explore the following questions. How do new institutional arrangements and forms of multi-level governance influence national governments in the steering of higher education? Which competencies and responsibilities of national governments are changed, how and why? In this new context how do national governments create an equilibrium between international policy agendas and national economic, social and cultural interests linked to higher education? How do different countries react to supra-national agreements, treaties and proposals, and how do we explain the differences between them? What are the consequences of these supra-national agreements and treaties for forms of divergence and convergence at the level of systems, institutions and programmes?

Current developments surrounding quality assurance in higher education constitute an important case study for the questions flowing from the first two clusters of issues. Here we can see the (indirect) influence of multi-lateral agreements and treaties, the involvement of a range of different stakeholders at a supra-national level, and strong pressures for an international convergence of methods and standards. Yet at the same time, all of the competencies and responsibilities with respect to the quality (assurance) of higher education are (still) located with national or sub-national governments, as well as being linked to their role in the funding of higher education. Furthermore, governments see this as a sensitive subject as it goes to the heart of national sovereignty over education policy, which they do not wish to see transferred to the supra-national level. Preliminary indications from a number of countries suggest that a bottom-up middle way is being developed in the form of multi-lateral mutual recognition of national quality assurance systems. Once again the question of the role that Europe might play in a broader international context is an important one⁴⁶. In the third and fourth clusters of questions that are concerned with the

response and adaptation of higher education institutions, an interesting point of departure is to look at the role played by networks. The initiation of international inter-university consortia appears to be related to organisational strategic behaviour focussed on financial resources, markets, provisions, expertise and technology. Little is known about the internal dynamics of these consortia, their successes and the factors that have played a determining role in these.

A second set of questions concerns the role and usage of information and communication technology. What role does ICT play in the processes of internationalisation and globalisation (and vice-versa), in forms of networking, and what types of innovation does the use of ICT lead to within the higher education institution as an organisation? What does the management of such innovation entail: what combination of rules, incentives and policy has the greatest impact on existing norms and behaviour? What do these innovations imply for the interaction between academic and support staff, and how do they influence the status and the practice of the academic profession? And finally: to what extent does the increasing use of ICT in higher education lead to the de-coupling of the functions of knowledge generation and knowledge dissemination, and what consequences does this have for the university?

The theoretical approach to these questions can be built largely upon the foundations of previous work at CHEPS (and the Faculty of Public Administration and Public Policy) and its research tradition. A line of research into the relation between the state/government and higher education has been developed from within institutional theory (Powel & DiMaggio, 1991) drawing a distinction between the regulative, normative and cognitive structures and activities that constitute institutions and give stability and meaning to social behaviour (Scott, 1995). With respect to the regulative structure and initially based on a dichotomy (Van Vught, 1989), subsequently more elaborated models of steering concepts have been developed (Olsen 1988, Gornitzka & Maassen, 2000). Amongst other enhancements, these models give greater attention to the role of the market. The influence of the supra-national level (in this case the EU) on these relationships has also been explored (Huisman, Maassen & Neave, 2001). These research lines enable further investigation of the influence of new institutional structures, themselves changed by internationalisation and globalisation, on the role and capacity of national governments in the

steering of higher education systems. Normative structures, in this case dominant perceptions about higher education, also appear to be relevant to understanding and explaining the varying reactions of different countries and stakeholders to international developments and global trends.

Research has also been undertaken into the processes of differentiation and de-differentiation that lead to growing or reducing levels of diversity at the system and programme levels (Meek et al, 1996). This has drawn on a combination of theoretical perspectives including population ecology and an integration of neo-institutional and resource dependency perspectives (Pfeffer & Salancik, 1978). This line will be of great importance in addressing the questions concerned with the convergent and divergent tendencies of the processes of internationalisation and globalisation. It is clear from these different theoretical vantage points, as well as from empirical research, that it is essential to remain open to the possibility that these contradictory processes may operate simultaneously at different levels. For example, when analysing developments in Europe surrounding the Bologna-process this implies making a clear distinction between the system and the programme levels.

Organisational theory focuses more specifically on the strategies by which organisations adjust to changing institutional structures (Oliver, 1991) and on how innovations within higher education are implemented (Cerych & Sabatier, 1986) and institutionalised (Levine, 1980). This provides a good basis for the analysis of those questions relating to how higher education institutions respond to internationalisation and globalisation. In this area too we can draw and build upon earlier work within CHEPS.

An adequate investigation of all of the questions identified, however, will also require insights drawn from other theoretical directions. Business administration and management theories appear to offer useful contributions (Barney, 1991, Parkhe, 1993, Porter, 1985) to the understanding of networks and consortia and to the factors that determine their success or failure. Similarly, insights drawn from international (commercial and public) law will be indispensable to the analysis of the potential legal and regulatory consequences of further trade liberalisation for higher education systems.

In conclusion I would like to touch briefly on the question of what the complexity of the phenomenon of globalisation implies for research into

globalisation itself. At minimum this implies that there must be a strong inter-disciplinary orientation and a broad comparative perspective (Guillen, 2001 p. 256). CHEPS with its inter-disciplinary and international team, and its wealth of experience in international comparative research, is well placed in this respect. The challenge, however, is not simply more of the same – it lies not only in the comparison of national systems but also in the analysis of the dynamics between, above, below, and even in spite of these systems.

Notes

- 1 Higher education was an opportunity available only to the elite until far into the previous century. Participation rates of up to 15% of the relevant age group are characterised as *elite higher education*, up to 50% as *mass higher education* and above 50% as *universal higher education*. The transition from *elite* to *mass higher education* in most western countries took place since the 1950s (Trow, 1972).
- 2 Such as the International Institute for Education Planning (UNESCO), the Centre for Educational Research and Innovation (OECD), and EURYDICE (European Commission).
- 3 The Centre for Higher Education Policy Studies was established in 1984 under its Dutch name *Centrum voor Studies van het Hoger Onderwijs Beleid* (CSHOB).
- 4 In most countries this occurred in the second half of the 1980s. An exception was Sweden, where this happened in the 1970s.
- 5 An OECD education review of the Netherlands formed the basis for the first policy paper on internationalisation of higher education and research, issued in 1988 by Minister Deetman.
- 6 Exceptions are agreements relating to the recognition of particular professional qualifications.
- 7 This category includes the Institute for Social Studies (ISS) in The Hague and the International Institute for Geo-Information Science and Earth

Observation (ITC) in Enschede. Recently a policy has been accepted that aims to increase co-operation between these institutes and Dutch universities.

- 8 These objectives are central themes in the Dutch policy document “Widening Horizons: Internationalisation of Education”. Ministry of Education and Science, 1991. They were also an important aim of the SOCRATES programme.
- 9 This process also occurred at the levels of primary, secondary and general vocational education but these developments are beyond the scope of this paper.
- 10 The most frequently cited economic indicators for this are (1) the relationship between world trade and world production (global GDP): the former has grown faster than the latter since 1974 which indicates a further integration of the world’s economy, (2) direct foreign investment that has shown strong if irregular growth over the past twenty years, and (3) trade in foreign currency that has grown 10 times as fast as global GDP between 1979 and 1997 (Castells, 2000, Kol, 2001, Guillen, 2001, Mazarr, 1999). For the indicator labour (migration) such a trend is not perceptible for that matter. Labour markets in wealthy countries were more integrated a century ago than they are today. There is however a clear increase in the international division of labour. Labour intensive sectors are transferred to low-wage economies, capital intensive sectors are found in middle-income countries and knowledge intensive sectors are located in wealthy countries (Kol, 2001). Beck (2000, p. 93) points to this tendency as “*not the people but the workplaces move*” and as “*transnational job sharing between rich and poor countries*”.
- 11 The period between 1870 and 1914 was described as (particularly for Europe), and shown to be, the “golden age of globalisation”. In Europe international trade grew faster than national production and there was a rapid increase in labour migration and the flow of international capital (Mazarr, 1999, Held & Mc Grew, 2000, Guillen, 2001).
- 12 In terms of the economic indicators mentioned earlier (see note 10) it is often noted that when these are analysed in more detail it can be seen that we are dealing more (or simultaneously) with the phenomenon of

regional integration than actual worldwide economic integration (Mazarr, 1999). Castells (2000) refers in this respect to a regionalised global economy.

- 13 Guillen (2001, 240-244) argues in a review article that the balance of scientific opinion is shifting towards the position that globalisation is a real phenomenon, although he is less clear than Giddens on whether it is a new phenomenon.
- 14 The WTO meeting in Seattle in 1999 was seriously disrupted by heavy protest action from anti-globalisation activists.
- 15 Beck points in this regard to a dangerous confusion where the world is on the one hand seen as a patchwork (or sum) of (sovereign) nation states yet on the other hand as a world society that is simultaneously individualised and globalised. In both cases there is reference to conscious aspects of globality and a form of world power. However, globalisation currently influences not just the inter-connectedness of states but also their internal quality of political and economic life as the congruence between state and society is severed. Economic and social activities, work and life no longer take place within the confines of the nation state (2000, 85-88).
- 16 The difference in *per capita* income between wealthy and poor countries increased five-fold between 1870 and 1990 and in the last two decades income inequality within countries has increased (Guillen, p. 247). Giddens (2001) adds the qualification that indicators other than just income must be considered. He argues that women's rights, diet and health are important and that in these respects the position of a number of the world's regions has improved over the last 30 years.
- 17 The anti-globalisation movement is difficult to characterise as it is composed of various sub-movements. Important authors such as Klein (2000), Forrester (2000) and Hertz (2002) criticise particularly the role and power of multinationals, branding and mass-marketing; the role of international organisations such as the WTO, World Bank and IMF; and the threat these developments pose to democracy.
- 18 The number of higher education students doubled from 40 million in

1975 to 80 million in 1995 (World Bank, 2000) and is expected to reach 150 million in 2025 (West, 1997). This growth will occur primarily in Asia where a growth of 50 million students is anticipated between 1995 and 2020 (Blight, 1997). A further consequence is that the number of international students is predicted to increase from + 1,8 million in 2000, to 2,8 million in 2010 and 4,8 million in 2025 (Blight, 1995).

- 19 Transnational education: educational activities where the student is in another (host) country to that where the degree awarding educational institution is established.
- 20 This is also referred to as e-learning, on-line education or virtual higher education.
- 21 For an extended discussion of this see: CVPC (2000). *The Business of Borderless Education*. London: CVCP, HEFCE.
- 22 UNESCO, in co-operation with the Council of Europe, has developed a Code of Good Practice concerning transnational education, but much remains unclear in this field. Quality and quality assurance in transnational education is one of the major concerns of governments and is frequently raised in OECD discussions. In the literature in general regulation, quality assurance and diploma recognition are the most cited problems (for more information see Campbell & Van der Wende 2000 and Van der Wende & Westerheijden 2001).
- 23 A good example of this is the so-called "U-turn construction" whereby Dutch HBO institutions offered Masters degrees on the Dutch market in co-operation with UK universities. (This is now less significant in the context of the introduction of the bachelor-master degree structure in the Netherlands).
- 24 GATS distinguishes between primary, secondary, higher, adult and "other" education. The following four forms of trade in services apply: mode 1: *cross border supply* (e.g. e-learning), mode 2: *consumption abroad* (study abroad), mode 3: *commercial presence* (e.g. branch campuses) and mode 4: *presence of natural persons* (e.g. guest lecturers). (OECD, 2001). Available data on international trade in education is almost exclusively based on mode 2 (flows of international students) and is furthermore

limited to higher education. At the same time it is acknowledged that growth is also taking place with regard to mode 1 (and 3). (See also Knight, 2002.)

- 25 To date only 38 countries have committed themselves to trade in a minimum of one education sector (see <http://www.wto.org>).
- 26 See WTO (2000). *Communication from the United States (S/CSS/W/23)*.
- 27 Student participation in public and private higher education (1998): USA 68,9% - 31,1%, Japan 26,1% - 73,9%, France 91% - 9% and Germany 100% - 0% (OECD Education Database, 2000).
- 28 See also *The Universal Impact of Competition and Globalization in Higher Education*. The Futures Project. Policy for Higher Education in a Changing World, 2000.
- 29 In terms of the “freedom of education” (art. 23 of the Dutch constitution) educational institutions with religious foundations are eligible for government subsidies. On the basis of their independent governing structures they can in legal terms be regarded as private institutions.
- 30 As part of the restructuring process “Marketization, Deregulation and Quality of Regulation”.
- 31 The so-called designated and recognised individual educational institutions. (see www.paepon.nl)
- 32 “Education for World Citizens”. Policy letter Internationalisation. December 2001.
- 33 Further analysis of trade in services from the perspective of international trade law is needed with a specific application to (higher) education. A CHEPS PhD research project is underway in this area.
- 34 In the USA this role is played by the *US Department for Commerce*, the *US International Trade Committee* and the *National Committee for International Trade in Education*, in Australia by the *Industry Commission* and in the UK by the *Department of Trade and Industry*.

- 35 Such as for example accountants, engineers, etc. The globalisation of these professions is also taking place within the framework of GATS (and various regional trade agreements), which includes the free practice of professions – in other words, the provision of professional services in other countries (Peace Lenn & Moll, 2000).
- 36 *Joint declaration on higher education and the WTO’s General Agreement on Trade in Services*. EUA (European University Association), AUGC (Association of Universities and Colleges of Canada), ACE (American Council on Education) and CHEA (Council for Higher Education Accreditation - USA), September 2001 (see: www.unige.ch/eua).
- 37 See for example the document “*The WTO and the Millennium Round: What is at Stake for Public Education*” from PSI (International Federation of Public Sector Trade Unions) and EI (International Federation of Workers in Education).
- 38 See *Joint Declaration EUA-ESIB (6-3-2002)* at www.esib.org.
- 39 From an economic perspective this is hard to defend as higher education does not meet the conditions that (a) nobody can be excluded and (b) that consumption of the service does not lead to reduced chances of others consuming it. It is also becoming increasingly clear that the private benefit of (particularly) post-graduate programmes is often greater than their public benefit. This is not to suggest that higher education should not be a public responsibility and/or should be thrown open to international trade and competition without further thought.
- 40 See F. Newman & L. Couturier (2002). *Trading Public Good in the Higher Education Market*. The Observatory on Borderless Higher Education.
- 41 This goes further than *interconnectedness*, as not only the relations between nation states are influenced. Globalisation influences the internal quality of social and political life as territoriality, collectivity and borders are affected. (Beck, 2000).
- 42 Although it cannot be denied that terms are used differently in different parts of the world. See for example Marginson (2000) who talks about “*the university as a global institution*”.

- 43 The definition of Kälvermark & Van der Wende mentioned earlier refers to this (see section 2).
- 44 For example: the Asia-Pacific Economic Co-operation Forum (APEC), the Common Market of the Southern Cone (MERCOSUR) and the Southern African Development Community (SADC).
- 45 See also: Mallea, J. et al (2001). *Globalization, Trade Liberalization and Higher Education: Research Areas and Questions*. Report of a seminar organised by the University of Manitoba, Canada, and sponsored by the Ford Foundation.
- 46 Some countries including the Netherlands are not waiting for this to happen and have made a start on the so-called “Joint Quality Initiative” [see: <http://www.jointquality.org/>].

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**Governing the Academic
Commons: About blurring
boundaries, blistering
organisations, and
growing demands**

Jürgen Enders

Governing the Academic Commons

About blurring boundaries, blistering organisations, and growing demands

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Introduction

Change, it has been said, is part of the pleasure and challenge of social science studies on contemporary society. Of course, change is there - everywhere and at every time. But, from time to time, we experience more far reaching changes and more dynamic forces within societal development. Traditional structures tend to decline, long-standing boundaries tend to be blurred, and blisters appear on what was once thought of as a stable regulatory order. In the muddy waters of current history we cannot know if this means another quantum leap in an evolutionary process or if it turns out to be a revolutionary process. But we can study processes and stages of co-evolutionary developments and transformations even under conditions of what has been called *Die neue Unübersichtlichkeit* (Habermas, 1985). From my point of view, the study of the modern university as we know it is very much about this: a university finding itself in a complicated and sometimes delicate process of societal change. A 'wandering university' in search for a new or renewed place in society that is part and parcel of the ongoing transformation. This is so for very good reasons.

Universities are organisations that, in all societies, perform basic functions resulting from the particular combination of educational and scientific, social and economic, cultural and ideological roles assigned to them. They are multi-purpose or multi-product organisations that contribute to the production and application of knowledge, the training of the highly skilled labour force, the social development and educational upgrading of societies, the selection and formation of elites and the generation and transmission of ideology. This range of functions constitutes the key tasks of higher education systems, albeit with different emphases depending on the national context, the historical period, the specific sector and indeed the organisation concerned. What is clear though is that nowadays, universities are heavily involved in literally every kind of social and economic activity in

our increasingly dynamic societies. This is but one of the factors that make the university such an interesting social institution to study. At the same time this makes universities rather vulnerable organisations that tend to be loaded with multiple expectations and growing demands about their role and functioning in our knowledge-driven societies. There is good reason to argue that the university belongs to the kind of species of modern organisations that, from a system theory of functional differentiation point of view, can be characterised by over-complexity and under-differentiation.

Moreover, there seems no longer a single society to which a university can be expected to respond. There are now governments and managements, academics and students, labour markets and industries, professions and occupations, status groups and reference groups, communities and localities, and the dis-localities of the 'global'. In other words, the erosion of the traditional 'contract social' between university, government and society is at stake, as is the revision of the vision of the university. Such revisions have been represented in various ways - as the rise of the 'service university' (Tjeldvoll, 1997), the emergence of the university as a 'corporate enterprise' (Bleiklie, 1994) or 'entrepreneurial university' (Clark, 1998), the concept of the university as a 'learning organisation' (Dill, 1999) and the 'network university' (Dill and Sporn, 1995). Interestingly enough these conceptualisations of the modern university borrow their terminology from a growing variety of shorthand labels recently developed to conceptualise the transformation of our modern society. Of course, none of them can claim up-to-now an exclusive empirical reality and evidence. And it remains to be seen whether one of them will survive as a dominant vision of the university and its place in society, or whether the post-Humboldtian university will be characterised by the co-existence of multiple missions and visions. But whatever the short hand title might be, the changing nature and role of knowledge for society seems to be accompanied by changes in universities' relationships with society that are a mixed blessing for their status, function and role (Enders, 2001).

In this light I see it as of great analytic interest to study the changing relationship between university and society: the old and emerging new modes of co-ordination in higher education and their underlying rationales, how these are being translated into organisational frameworks and responses, and how they affect the basic functions of universities. Equally, from a normative point of view it might also be essential to support

a policy search for organisations that will be both solid and dynamic enough to withstand the current tensions and dilemmas: dilemmas that are already triggering demands for the simultaneous performance of increasingly competitive and sometimes contradictory functions (Castells, 2001) in a changing environment.

In the following argument I will first attempt to contribute, from a certain perspective on governance studies, to the ongoing debate on the modern university and to look for the strengths and weaknesses of this approach for higher education studies. Following respective developments in our field reveals that higher education studies have build on and contributed to this debate. It has developed from early notions of planning, steering, and implementation in the narrow sense to a framework that conceptualises policy processes from a multi-level and multi-actor perspective. In a different genealogy, it is build as well on the discovery of principle modes of coordinating social actions, or basic forms of social order within the unholy trinity of 'hierarchies, markets, and networks'.

A second perspective - which I see strongly interconnected with the first - is concerned with the changing role of the university as an organisation, the changing interfaces between the university and its environment as well as issues related to organisational adaptation. They reflect, on the one hand a trend, in which universities, or more specifically higher education systems at the organisational level, become more important actors. This is, on the other hand, stimulating scholarly interest over revising the 'iron cage' of the university as an organisation: the coordination function of universities, their capacities for self-steering as well as their capacities as transforming agents of individual interests.

A third important perspective to which I would like to draw our attention is an attempt to connect the above mentioned developments to the basic functions of universities in education and research. Today it is widely accepted that universities have to contribute to a growing range of social demands and groups as they are open to the influence of a growing variety of social actors and factors. At one end of this inter-relationship, stagnating or decreasing resources for universities have induced concerns about 'return to investment'. Much attention is given to the question of how stakeholders can obtain what they need from universities in order to continue innovating, most prominently through 'new knowledge' and 'fresh minds'.

At the other end of this perspective, questions have to be raised on the effects of changing governance and innovation regimes on the micro-foundations of science and research as well as on the relationship between the university and the world of work.

From Government to Governance . . . and Beyond

So what? How come our thinking about the role of the university in society and the governance of the academic commons is challenged? Because many models we used to work with in higher education research on the interaction between universities and their regulatory environment, were in many cases based on three assumptions: (1) the regulatory environment is a national one dominated by the state or the various agencies of governmental or intermediate steering and control; (2) the self-organisation of science and the academic self-administration of universities assure a high degree of legitimate professional autonomy; and (3) these relationships are more or less exclusive in terms of protecting the university from further direct interference from 'society' or interest groups. Yet, as a consequence of various processes, these assumptions have all been challenged. During the last decades we have been able to observe a remarkable shift in governmental beliefs and attitudes in Western European countries concerning the role of the state in modern societies and the modes of governmental problem-solving in public sectors like higher education. By and large, the implementation of respective reforms has profoundly modified the relationship between government and universities and rests, at the same time, upon a significant reinforcement of the external ties of universities with their environment as well as reorganisations in their internal governance (Goedegebuure et al., 1994; Neave, 2002).

This implied that we needed to reconsider our analytical models and, as a result, that they have become more complex - a well known development in the general field of governance studies. Mayntz (1998) recently summarised the overall evolution or development of a theory of political governance, a theory borne out of concern with the steering actions of political authorities as they deliberately attempted to shape socio-economic structures and processes. She does so without special reference to given fields or sectors of studies, like universities. An attempt to follow respective developments in our field however, can serve to put it into a larger context and see to what

extent this context might serve our further purposes of studying the new modes of co-ordination in higher education. In this context it is, of course, impossible to refer to these developments by extensive reference. But some important steps related to our field of higher education research might be named before we turn our attention to further research perspectives. This might be more worthwhile since our domain of study is characterised by a certain set of particularities that have been, from the beginning, very likely to challenge traditional notions of steering and control.

For Mayntz (1998) the first paradigm of political governance was concerned with policy development and policy implementation in a narrow sense. It adopted a top-down, or legislator's perspective. A brief sketch of the evolution of this theory of political governance in the narrow sense of 'steering' in higher education studies indeed mirrors much of the developments in other fields of policy analyses in three stages from 'planning' via 'policy development' to 'policy implementation'. Early studies in the late 1960s began with a largely prescriptive theory of planning in higher education. They were underscored by strong beliefs in human capital and manpower planning approaches as well as the contribution of educational investment to economic growth. In the 1970s, with the planning euphoria waning and the reform of higher education systems in Europe on the move, policy development became the object of empirical analyses. This directed attention to contextual factors influencing policy development. Finally, in the second half of the 1970s, policy implementation became a new research focus in higher education studies where the process of policy formulation, implementation and reformulation gained interest.

These studies carried with them the seeds for various further developments (Majone and Wildavsky, 1978; Mazmanian and Sabatier, 1983; Pressman and Wildavsky, 1979; Cerych/Sabatier, 1986). In one step, attention was called to the great expectations and mixed performance of higher education reform. Studies on policy implementation called attention to the fact that policy failure was partly related to having neglected specific characteristics of the regulatory field of universities. Had such studies so far concentrated on the subject of political steering, they now included also the structure and behavioural dispositions of the higher education system and its organisational layers. They emphasise the systemic peculiarities of universities, their dual role in the education and the science system, their commitment to the 'state' and to 'science' as its principles, their

embeddedness in professional belief systems and national traditions (e.g. Clark, 1983; Teichler, 1988; Becher and Kogan, 1992). Furthermore, studies in the sociology of organisations (e.g. Clark, 1970; Weick, 1976; March and Olson, 1976) emphasised universities' as being 'bottom heavy' and 'loosely coupled' organisations characterised by 'goal ambiguity' and 'internal fragmentation'; in other words as being a series of faculty entrepreneurs held together by common grievance over parking. Thus the top-down perspective of the initial paradigm was extended by the inclusion of questions related to the 'governability' of higher education systems as well as bottom-up processes of universities.

In a further step attention was directed to the role of the state. Analyses and differentiation between 'state control models' and 'state supervising models' (Van Vught, 1989; Goedegebuure et al., 1994) as well as a perceived shift from 'ex ante control' of higher education to 'ex post control' largely contributed to the understanding of the 'rise of the evaluative state' in higher education (Neave, 1988; 1998). The role of the state as a provider and protector thus changed and differentiated in alternative, and sometimes more ambivalent roles as a 'referee', 'mediator', 'activator' or even as a 'consumer' of higher education (Williams, 1995; Kersbergen and Van Waarden, 2001). This made it clear that we are dealing with not so much a loss of state influence, but rather a change in its form.

In a next step of various lines of discussion, market principles and horizontal self-organisation were discussed as alternatives to hierarchical political control. Among the first and most often cited attempts is, of course, Clark's triangle (Clark, 1983) of higher education systems between the three axes of market-like co-ordination, state-induced co-ordination, and academic/professional co-ordination. Since the publication of his oeuvre several other conceptualisations and typologies were developed often based on Clark's triangle (e.g. Hüfner, 1984; Curry and Fisher, 1986; Bergquist, 1992; McDaniel, 1996; McNay, 1999; Enders, 2001). They extended the principal list of actors, dynamised the static model by taking changes over time into account, made an attempt to differentiate between different components or objects of governance, and developed a model of checks and balances between modes of co-ordination (Braun and Merrien, 1999).

The triangle was a useful heuristic to compare higher education systems and their traditional regulatory order but it was of less value in analysing the dynamics of change. In almost any industrialised country, analyses

made in the 1980s and 1990s show that the introduction of quasi-market mechanisms in higher education gained importance (Goedegebuure et al., 1994; Clark, 1998; Marginson and Considine, 2000). While these reforms were stimulated by a loss of trust in the self-regulation of the academic profession as well as in the regulative power of the state, sensitivity for the imperfections of the market is, however, growing as well (Dill and Sporn, 1995; Meek, 2002).

In effect, and very much in line with respective debates in the broader governance literature (Thompson et al., 1991; Powell, 1990; Rhodes, 1997), network governance gained in interest in higher education studies. Interestingly enough, the notions of networks as a poly-centric form of governance resonates with traditional notions of science as a self-organised system and traditional forms of university organisation. They suggest that informal and formal networks of horizontal communication and contact are ubiquitous in academic work. They do, however, neither solve questions of the potentials and failures of network governance on the system level nor of the virtues and plights of corporate innovation of universities. Here is certainly a field of growing interest for higher education studies on various levels with their cross-sectional connections. Much may be gained from respective conceptualisations and empirical work in related fields of study that increasingly tend to include 'network failures' as well (e.g. Miles and Snow, 1992; Powell, Koput and Smith-Doerr, 1996; Gargiulo and Benassi, 1999).

Recent developments in our field thus undertake a further step to extend the principle list of forces and actors beyond the classical triangle. They underline efforts to strengthen organisational capacities for hierarchical self-steering in universities and introduce the 'new managerial class' as an important actor. Furthermore, recent re-structuration of steering and financing universities have brought external stakeholders as actors in more mixed public-private networks into play as well. In consequence, we observe a constellation in which authoritative interaction with the state, academic self-governance, quasi-market competition, hierarchical self-steering and stakeholderism in higher education can no longer be seen as exclusive or alternative options – they coexist and are casually interrelated.

In sum, this brief sketch represents various changes in view. It reflects a shift from a top down perspective to an interactive approach of top-down

and bottom-up processes in a multi-level and multi-actor perspective (Scharpf 1997) that increasingly comprises the international and European level as well. It represents a move from government to governance even though the state might serve as an 'primus inter pares'. Instead of thinking in terms of 'less state and more market' or in terms of 'neither hierarchy nor market, but networks', it advocates a more balanced understanding of the impact of a certain combination of forces around and within universities. In addition, it calls in my view for the inclusion of various theoretical approaches on corporate and individual actors in which norms and sense-making, power and efficiency play a role – instead of hypothesising the more or less fully unbound rational actor or the more or less fully bound institutionalised actor. Last but not least, it reflects a mixed picture of shifts of governance of higher education downwards (decentralisation, localisation), laterally (de-regulation, privatisation) and upwards (Europeanisation, internationalisation). They call attention for further understanding and explanation of changing modes of coordination of universities beyond traditional notions of the bureaucratic-oligarchic model. They raise as well questions on methodological and normative implications.

One of the most important developments in higher education certainly refers to a different kind of thinking about the university as a 'corporate actor' (Jongbloed et al., 1999). It is certainly not new that organisations are seen as major addressees for coordination, regulation, and policy-making. The historical process of modernisation has led to a process of differentiating society into semi-autonomous spheres, and 'organisations' have become the major forms of ordering the different sectors of society and their relationship with each other. But debates and catchwords like 'de-nationalisation' and 'decentralisation', 'off-load state' and 'supervisory state' – in other words a state in search for new sources of income, influence and legitimacy in the regulation of organisations, like universities - has among other things contributed to a growing interest in the coordination function of universities. I will come back to that point.

A further shift that leads to changes in governance is related to blurring boundaries between the public and the private sphere (Van Kersbergen and Van Waarden, 2001). This relates to the delegation of public policy to semi-public organisations, quasi non-governmental agencies, independent regulatory bodies and public-private policy networks. It relates as well to a process of drawing elements of the higher education fabric out of the public

sphere, universities setting up private companies, outsourcing research, teaching or support services, and the emergence of new private organisations. Furthermore, we observe a process of bringing elements of the private sphere into the public realm of universities by the state-induced introduction of competition. This carries in itself the seeds for two related developments: the commodification of teaching and research, and the university and its individual academics becoming profit seeking units. All this raises interesting new questions of checks and balances, of accountability, efficiency and legitimacy for and within universities. And these are no small questions because they are intertwined with current debates and changing belief systems on higher education and research as a public or private good.

Last but not least, the decline of the traditional regulated order takes place within the nation-state at the very moment when the international and European dimension gain a further importance for universities (Van der Wende, 2001; 2002a; 2002b). Not to speak about a world-wide context where confusion becomes global, European integration has, at least, two consequences for our study of political governance: it raises new problems of governance on the national level, and it requires the extension of governance theory to a supra-national level. It raises attention to a development in which nation-states seek new regulatory powers on an international level and become more dependent on supranational direction due to a shift of powers to the European level (Scharpf, 2001). The field of higher education policy provides numerous fascinating examples for the composite mix of approaches recently exercised: In 'mutual adjustments' national governments continue to adopt their own higher education policies. But they do so in response to, or anticipation of, the policy choices of other governments or certain perceived European developments. In 'intergovernmental negotiations, example given in the Bologna process, national policies are coordinated by agreements at the European level. But national governments try to remain in full control of the decision and implementation process. 'Joint decisions', example given the process towards the 'European Research Area, combine supranational direction, intergovernmental negotiations and a heavy load of European comitology. Here, it is certainly of interest to study the input side of policy formation as well as the implementation and output side of these processes, their different logic and relationship which each other. Having said this, it is obvious that we are not running out of most

interesting themes and questions building on and going beyond the study of the government-university relationship. But as it is frequently the case, things are more easily said than done. From a methodological point of view, I perceive several important implications that I do not yet see fully resolved in research practice. I want to name briefly only two:

Internationalisation, for example, might have an ambivalent meaning for our cross-national comparative approaches. Of course, we might argue that comparative perspectives on internationalisation are indispensable for understanding a reality shaped by reforms based on comparative observation and 'aping the neighbours', growing trans-national activities and partial supra-national integration in higher education (Teichler, 1996). But the underlying rationale of traditional forms of comparative higher education research as a presumption that we can reasonably analyse and compare national systems which are defined as relatively closed units is being challenged by recent trends as well (Enders and Fulton, 2002).

Another challenge relates to what might be called a disordered order. Where decision-making becomes less orderly structured, it is less easy to locate the centres of power and their legitimacy, to decide where decisions are being taken and who is accountable. Part of the challenge – some would say of the problem – is thus that authority, the right and ability to steer and to respond become unclear, shifting as well as contested. This means that longitudinal and multi-actor perspectives that include anticipation and feedback get even more important for our empirical studies. The same might be said for what I referred to as a complex framework that conceptualises social change as driven by the interaction of individual and corporate actors. Of course, life event analyses for populations of individuals or organisations, multi-level statistical models, network analyses or modelling approaches offer supportive tools for such an endeavour. But a comprehensive empirical foundation for a dynamised study of multi-level policy processes that comprise perspectives on corporate and individual actors still belongs to the things to come.

Last but not least, we have to face the challenges of normative debates. The changing playing field of the university is entangled with growing measures to preserve or improve quality of teaching and learning, of research and service under conditions of stagnating or decreasing financial resources and of increasing demands. Many developments for changing

governance mechanisms and a functioning of universities as modern organisations are accompanied by the assumption that they will allow for a more flexible responsiveness and strengthen efficiency. We should thus not forget that we undertake our studies in an environment loaded by normative statements. And many approaches tend to be normative as well. They do not only or so much analyse reality but prescribe an ideal of 'good governance'. I do not see it as a fruitful task to contribute to these normative debates whether they are advocating a new model or protecting traditional notions. But it is certainly a major task to take up these normative statements, to turn them into open research questions, and to test their underlying rationales as well as their empirical reality.

Organisational Perspectives on the University as a Moving Target

A major effect of the government reforms of universities in the last decades has been to devolve increased responsibility and procedural autonomy to the university as an organisation, and to introduce elements of competition through deregulation of a formerly homogenised setting, cuts in government support, and the introduction of contracting for teaching and research. Consequently, universities now struggle with the implications of this new environment in their internal structures and procedures, as well as their principal tasks of teaching and research. Universities undergo a process of change towards emphases on individual profiles and policies, managerial capabilities, incentive steering, quality assurance and evaluation, accountability and organisational learning (Jongbloed et al., 1999). To better understand the implications of a changing policy environment for universities, I turn from an analysis of systemic governance to analysing the university as an organisation.

In doing so I concentrate my focal concern on various perspectives. First, organisation theory covers much ground (Pfeffer, 1982; Scott, 1986; Ortmann et al., 1997). Depending on the substantive focus, it takes on assumptions, perspectives, concepts and methods of disciplines such as economy, psychology, political science, sociology – to name some. My own reflection and research is certainly biased towards the two latter ones – even though I am quite used to do my own work within an interdisciplinary environment that is characteristic for an object related field of study like higher education. But, as we all know, there is no interdisciplinary work

without disciplines.

Second, organisational theory is a rather heterogeneous field of study. Depending on the discipline and the national context it sometimes creates a critical mass that forms into a major research area in itself; sometimes it is rather embedded into certain other sub-disciplines. This is to say that we frequently observe a high degree of internal fragmentation in organisational theory as well as a missing link to overall theories of modern society in order to understand the contribution of the meso-level to their characteristics (Ortmann et al., 1997). Here is certainly an area of special interest for comparative work in inter-national as well as cross-sectoral perspectives.

Third, some of the most significant concepts and theories in organisation theory – like 'loosely coupled systems', 'garbage can decision-making', 'organisational anarchy' – have been developed in studies of educational organisations, higher education included. At the same time, significant scholarship on higher education draws on organisational theory sometimes explicitly, in reference to particular conceptual frameworks, sometimes more implicitly. In this context, it highlights the contributions of organisation studies to understanding contrasts and similarities between different national systems as well as the structure and functioning of universities and colleges within them. And, in the jargon of the field, it concentrates more on macro-level organisation theories about organisational systems and structures (Rhoades, 1992) – even though I believe that it is timely to think about integrating multi-level approaches that include micro-level perspectives as well. I will come back to that later.

Having said this, organisational theory has evolved in the last decades in several respects relevant to the study of universities. From a development perspective on organisational studies one might observe various shifts: It has shifted from a closed system to an open system model. It has moved from a more technical systems approach to an emphasis on political and symbolic systems that shape organisations. It has also developed from a focus on individual organisations, or small samples of organisations, to larger organisational populations and fields, including national systems. All of this has been accompanied by some remarkable shifts in organisational theory towards (1) a contextualisation of organisations in their environment, (2) a demystification of organisational rationality, (3) a dynamisation of organisational theory in terms of time and change, (4) a

‘re-humanisation’ in terms of organisational cultures, and (5) a ‘politisation’ in terms of micro- and macro-politics of organisations.

These inquiries, first, point out that universities are parts of integrated and interdependent systems, shaped by an internal logic of behaviour and survival as well as by exchange with organised and unorganised elements of the environment with which they interact. Organisational researchers have identified several analytically distinct pathways of environmental impact – most prominently policy, resources, and information – that often converge or overlap in application. Regulatory demands, for example, requiring universities to report faculty work load or student numbers may force them to create internal units to collecting data and filing reports. This, in turn, may deflect resources from other purposes. Flow of resources, for example, the donor who is willing to grant the university a significant budget for its willingness to create a professorship, can create implicit or explicit demands for change within the organisation. But changes in resources or inputs may as well imply shifts in the kind of people who attend as students that may change, in turn, curricula and pedagogical concepts. Information, as a third pathway by which external trends and phenomena travel into the organisation, may, for example, include mutual observation among universities. The movement of faculty from one organisation to another hastens the exchange of ideas and, as some have argued, fosters the imitation of what is perceived as success (DiMaggio and Powell, 1983). In small ways these examples illustrate the point that resource dependency (Pfeffer and Salancik, 1978; Pfeffer, 1982) creates a kind of boundary breach wherein external forces exert influence on internal processes and structures. But, as we all know, there is no one-way street in organisation-environment relationships as there is no in-built automatism of internal change to a changing environment. Instead, universities will select and interpret external signals, and they may choose a pro-active approach of influencing and modulating their environment. In other words, universities as ‘corporate actors’ can be analysed in terms of the basic concepts of adaptation and accommodation that Erikson (1974) explored in his early oeuvre of a development psychology.

In resource dependence theory, the environment may be characterised by the task environment of sources and resources as well as by the network of organisations with which the university interacts. Another conception of university-environment relationships has been stimulated by neo-

institutional theory in organizational studies (Gornitzka, 1999; Maassen and Gornitzka, 1999). It combines the consideration of power relations with an emphasis on institutions as a set of beliefs, rules, and deeply rooted understandings about what constitutes appropriate or acceptable organisational forms and behaviour. The organisational environment consists in part of rational myths (Zucker, 1987) about the functioning of organisations, like universities, that provide stability and meaning to social behaviour. In order to maintain legitimacy and flow of resources, organisations must reflect and adapt to this normative order (Meyer and Rowan, 1977; DiMaggio and Powell, 1991). Grounded in a conception of the university as a loosely coupled system, it is assumed that universities’ formal structures are only loosely connected to its core functions and activities, and changes in the institutional environment may bear little relation to, or have little effect on, the work done within the organisation. Neo-institutionalists are thus sceptical when it comes to organisational change, and adaptation is often interpreted as of a ritualistic nature where organisations construct symbols of compliance to environmental change, a topic reflected in studies on organisational change in universities that ask Why innovation fails (Levine, 1980) or follow the management fads in higher education (Birnbaum, 2000). Such studies contribute to the attack on the ‘myths of organisational rationality’ and have formulated an influential attack on a kind of naive functionalist approach in organisational theory. They also draw attention to the mechanisms that help to provide organisational stability in the eye of the storm (Jongbloed et al., 1999) of changing environments.

Research into the boundary issue of open systems suggests indeed that much is about boundary maintenance (Mitchell, 1997). Organisations may well seek to absorb or deflect environmental influence without altering its fundamental structures or processes. Much about universities traditionally involves buffering whereby organisations seek to seal off their core technologies from environmental influence. ‘Screening’ and ‘coding’ the environment, ‘stockpiling’ necessary input, ‘forecasting’ demand and supply are, for example, efforts to protect core activities from undue intentional or unintentional environmental influence. Against that, bridging strategies attempt to absorb the effect of external influence by creating delimited accommodations that may not compromise core processes and values. Research contracts are, for example, a kind of bridging strategy. Co-optation of external actors in boards and associations are more subtle forms of

boundary work among other things supposed to socialise external actors so that they might be willing 'to go native'. Joint ventures in which created units depend more heavily on external demand, relevance or resources may serve as another example. Sometimes forms of structural accommodation may lead to the creation or absorption of subsidiaries with durability and over time the relationship between the core and the subsidiary becomes clouded.

Adaptations can thus take a variety of forms. In some universities we see newer and income-earning activities such as continuing education, technology transfer and research exploitation taking place at, or even just beyond, the boundary: new units are created to manage these activities which leave the traditional core of academic work relatively untouched. In others, new structures are emerging that increase internal differentiation and bring activities more into the centre of the university while preserving or even sharpening the distinction between old and new roles. Still others are aiming at various forms of integration, so that a new and more competitive culture begins to suffuse even the most traditional and stable areas of academic work (Sporn, 1999; Clark, 1998). In other words, we might say that universities' responses begin as a series of blisters on their skins. It is an interesting question whether they can continue to treat these as localised eruptions to be plastered over or otherwise contained at the periphery, or whether they will develop a more holistic approach.

In this context, studies on organisational adaptation in higher education tend to make reference to some fundamental characteristics of universities – structural features as well as cultural features – that affect their ability and capacity for change. To summarise these discussions, universities have several unique organisational characteristics. They are complex organisations for which goals are not only unclear, but tend to be highly contested. They are 'people processing' organisations using holistic, unclear, and non-routine technologies in teaching and research. High professionalism dominates the academic tasks carried out by highly fragmented professionals committed to their disciplinary 'tribes and territories'. They are 'bottom-heavy' with low potency for collective action and strong organisational leadership (Baldrige, 1983). Universities are thus perceived as being normative at their core, weighed down by many, often-contradictory goals, lacking in real organisational autonomy, deeply institutionalised and, partly for that reason, also conservative.

But universities are actually arenas in which the struggle over what might be called the authoritative allocation of values is ongoing; among other things being loosely coupled organisational units with high degrees of ambiguity regarding mission and principal workers also being principal decision-makers. This struggle is certainly not only intra-organisational, among say, leadership and principle workers but between university and government as well. Nor is it restricted to competition and cooperation between universities. It includes actors from the outside, formally and informally. It is about ideas as much as about realities. A statement about 'organizational adaptation in changing environments' thus implies that the ongoing process is political in its very nature (Friedberg, 1995). Indeed, regarding these phenomena, conceptual schemes have been developed and applied to universities (Paris, 2001; Braun, 2001) that include such items as preference orderings, choice situations, conflict and struggle. The status quo in universities thus reflects the outcome of an earlier, albeit ongoing, power struggle.

The fact that this is so should not be mistaken, as is so often is the case, as organisational pathology. This might be even more so in the case of the university as an organisation deeply affected by what Merton (1942) refers to as the codex of science characterised by communalism, universalism, disinterestedness, and organised scepticism. As Dahrendorf has reminded us, power is however, a tiresome fact in academe and a university without power would be a negative utopia. Indeed, without external and internal conflict, organisations inevitably tend to go stale and atrophy.

At the moment universities are trying to balance between two extreme positions: the university as the curiosity-driven institution in the cultural belief system, and as a service-enterprise according to an utilitarian belief system. Notions of the 'academic enterprise' are part and parcel of this process and have certainly taken root. The open questions are, however, how they can along with each other in a fruitful way and how this might affect basic characteristics of the university as an organisation that we were used to taking for granted. Whatever the outcomes of this transformation process, it is clear they have initiated a different kind of thinking about the university and that this different kind of thinking is at the base of the university as a 'corporate actor'. Opening the 'black box' of universities with their intra-organizational networks and decision-making processes as well

as with their new interfaces with environment more than we have done until now is thus an interesting undertaking in itself. The central object would be to identify organizational change strategies on an inter-organizational line as well as on an intra-organizational line looking for strategies for an adaptive organization.

Central to the first is a focus on inter-organisational lines of strategic coalition formation as well as on competition between universities and other stakeholders as corporate or individual actors. Traditionally, universities have neither been highly co-operative nor bitter rivals. Of course, exchange of information and knowledge, of student and staff as well competition for them might have been common. But a search for partner organisations – whether single or multiple partners - for inter-organisational network building and co-operative structures is a relatively recent phenomena. The establishment of numerous national and international consortia and networks between universities, the establishment of public-private partnerships for research and dissemination, the search for partners in the regional environment certainly make inter-organisational interaction of universities more complex. An additional factor to be considered is competition among systems and organisations of higher education. At the organisational level, universities as corporate actors have not generally been perceived in the past as highly competitive: scholarly reputation was most exclusively the ‘name of the game’ while over the last half-century, substantial state-funded growth in higher education has dampened any need for competition. In any case, most organisations’ capacity to compete was limited in practical terms, even if they might have wished to extend their territory (Dill and Sporn, 1995). The scenery is now changing, first by the recent stagnation or even decrease in levels of financial support sharpening organisations’ need for new sources of funding, and second by the blurring of boundaries of space and time through the availability of new technologies for learning and research. Moreover, universities are going to be challenged on their own turf from interlopers, branch campuses and franchise arrangements whose headquarters and accreditation lie far beyond the sea and whose appeal often resides in their willingness to accept what national standards discretely turn their face from (Neave, 1999: 194). Thus the monopoly universities enjoyed over the certification of valuable knowledge within our societies is going to be challenged as well. As globalisation theorists would have it, the past is no longer a reliable guide to the future. Despite earlier

low levels of competition, the increasing rivalry among universities and other providers, along with the other competitive challenges already mentioned, is leading universities that wish to compete, or to find new niches in the emerging international market, to develop more adaptable and flexible means of organising and managing academic work.

Central to the second, inter-organisational line of thought is thus a focus on universities’ changing governance and management structures that are intimately tied to the debate about ‘new public management’ and the ‘managerial miracle’ in higher education. The new managerialism matters (Braun, 1999: 239) was one of the prime conclusions of a recent comparative study on new models of governance for universities that mainly covered Western European countries. But at the same time it was shown that countries have followed different paths and have implemented different styles to a different degree in order to overcome the well-known problems of universities as expert organisations. Taking into account the different reform attempts in this area we might distinguish three different, sometimes interrelated types of thinking that stimulate the revision of universities’ internal structures and procedures (De Boer/Huisman, 1999): A more efficiency-oriented model stressing productivity and managerial control under conditions of austerity where decisions have to be made between competitive goods; a more service or client oriented model stressing service orientation, consumerism, and responsiveness to external environments; a more market oriented model stressing competition, privatisation, and an utilitarian belief system. It is currently left to the ongoing changes which kind of new model or new models of governance for universities might emerge, and to what extent they might be institutionalised. Early investigations in these areas tend, however, to point to old and new problems of moral hazard, adverse selection, and rising transaction costs: growing assessment needs and control of work, academics playing the ‘managerial game’ as calculate actors with the result of mere symbolic compliance, or growing centrifugal forces among more or less independent units within the university undermining its capacity as an ‘corporate actor’. These certainly raise new questions about effectiveness, efficiency and legitimacy in the internal organisation of universities.

But they also raise questions about the basic functions and constituencies in universities; questions I would now like to discuss in greater detail. Here we will have to look at both the research function as well as the

education function and its relationship to the world of work. They are both likely to illustrate in another version the issues of blurring boundaries and growing demands but here the level of academic work and life comes more into play.

From Popper to Gibbons? Governing the Scientific Commons

For some time and in surprising agreement, different authors have observed the emergence of a 'new mode of knowledge production' that fits quite well into the overall political debate about the changing role of knowledge in our societies, and the need for a re-structuration of science and higher education policy. Post-normal science (Funtowicz and Ravetz, 1993; Elzinga, 1995), postacademic science (Ziman, 1995), and mode 2 (Gibbons et al., 1994) all suppose far-reaching social and cognitive changes because of institutional changes taking place over the last decades. They argue that a new form of knowledge production . . . a distinct set of cognitive and social practices is beginning to emerge (Gibbons et al., 1994: 3). These practices are carried out in the context of application as opposed to a context governed by a specific academic community; trans-disciplinary as opposed to disciplinary; heterogeneous as opposed to homogeneous; heterarchical and transient as opposed to hierarchical and stable. Such attempts certainly challenge our thinking about a well-established order for science and research in proposing a qualitative transformation of its role and functioning in society. Their novel approach to explaining these phenomena, the lack of empirical evidence provided and the explanatory power of the analytical model developed (Weingart, 1997; Shinn, 1999; Gläser, 2000) have, however, also stimulated quite critical reactions. For one thing, it has been convincingly argued that the trend concerning the 'new production of knowledge' is selling old wine in new bottles. It parallels the debates concerning the 'military-industrial complex' and the 'finalisation of science' nearly thirty years ago (Böhme et al., 1973). Second, it has been argued that the process proposed is neither deterministic nor uniform, and its implications may vary across academic fields and social settings. Third, and most importantly, it has been argued that it mixes up developments in the institutional environment of science and research with the actual knowledge production, defined as the social practices and activities of individuals or groups. The 'contextualisation' of science and

research certainly affects the role and status of academe and the emergence of new institutional arrangements for legitimising, organising and funding research - among other things - linking universities, industries and government in new ways (Etzkowitz and Leydesdorff, 1998).

But does this mean that the production of knowledge changes or is it rather a noise in the task environment of research? Is there more than a fashionable new rhetoric on the 'mode 1 ?' that fits the political 'Zeitgeist'? We do not know much about this because consequences of changing conditions with regard to academic values, reward structures and research conduct are stated but insufficiently researched in this discourse. It still seems difficult to bring together institutionalists' interest in changing modes of coordination, organisation researchers' interest in the rise of the university as a corporate actor, and ethnographers' interest in reward structures and research practices.

From the perspective of what has been done so far in studies on higher education and the academic profession, there are, however, good reasons to do so (e.g. Enders and Teichler, 1997; American Academe of Arts and Sciences, 1997; Slaughter and Leslie, 1997; Farnham, 1999; Henkel, 2000; Enders, 2001; Altbach, 2001). Interest in studies on the academic profession has recently grown, and a number of researchers have analysed the impact of changing modes of coordination in higher education on the academic workplace in national and cross-national perspectives. Recent findings and analyses provide, nevertheless, a mixed picture: Some of them tend to send out alarming signals. Standards are compromised and curiosity is displaced, control is dispersed and coherence is lost, continuity diminishes and constant change produces stress. Others tend to support continuity rather than dramatic change such as the self-image of academics, aspects of faculty morale or the major work tasks of the academic profession.

They show as well that recent changes in the governance of higher education and research, the rise of new public management in universities, and the shifting spotlights from physics to biotechnology as the king way of knowledge production are intimately tight, even though not necessarily causally related. Strong interdependencies between these avenues create a rather complex, tightly coupled system of rewards and sanctions highly susceptible to unintended consequences. They highlight in as much a process of social reality as a normative approach suggesting new role

models for academic work. So, we might face a situation where we are all more or less kindly invited to move from a bounded world of academe to a project of academic identity and work living in multiple worlds with blurring boundaries. Of course, it would be naive to underestimate these ongoing changes some assert as a significant revolution of academic work. But any scenario of an almost inevitable transfer of control over the entire work from the disciplines and academics to hybrid groups or those external to the academic communities might be misleading, too. This perspective asserts that academics are not actors but victims in the path of a secular trend about which they can do little. It underestimates the more dynamic role of academics, their participation in the ongoing process, and tends to be culturally blind for the variety of disciplinary and national traditions to be taken into account.

All debates on the impact of recent developments and trends on the university can, however, not confine themselves in aiming to explore what suits best the public expectations on research, the managerial beliefs in functioning of universities as modern organisations, or the self-reference to academic identities. Of course, the impact of external and internal changes on the daily practices and the performance of academe cannot easily be examined. Moreover, the battle on the definition and measurement of 'quality' is part of the ongoing change in universities. But we should not lose sight of the fact that they are very important criteria. Further studies are thus needed to show how the academic professions interact with and respond to the most obvious changes around and within the house of science, and how the new generation of academics as the major source of innovation and change in universities responds to these changes.

This implies for me to go from 'theory to practice' (Mayntz and Schimank, 1998) and to study new public management approaches, changing incentives for problem choice and mix of research, attitudes and responses to public-private partnerships and spill-over, or growing salience in knowledge networks with their effects for the rules and rewards that govern the academic commons.

Part and parcel of this study is, in my view, a growing interest in academic training and careers (Enders, 1995; Bornmann and Enders, 2001). This is so for a number of reasons. For one thing, postgraduate and postdoctoral training are becoming more and more influenced by the above mentioned

debate over to what extent higher education and science experience a change in their mode of knowledge production or are expected to change their modes of knowledge production. In this context emphasis is on the growing importance of problem solving approaches linked to the greater dissemination of knowledge capabilities throughout the economy and society. Next to that stands the notion on relevance of research training to the world of work outside higher education and science. Pressures have increased to de-couple research training from preparation for an academic career as a single yardstick in order to make it more relevant for a broader variety of other careers outside higher education and science. At the same time, we can observe declining interest among graduates in certain disciplines to enter further academic training. All this raises questions on the aims and needs, the structures, localities and outcomes of research training and the attractiveness of the academic workplace for the new generation. It raises as well questions on their relationship to organisational change in universities. Change in universities, it has been said, seeps in by the process of changing the professionals (Mintzberg, 1983: 213) - changing who will be attracted and can enter the academic profession, which norms and beliefs, standards and skills are trained and learned. The mechanisms of training, socialising and recruiting for the academic career are thus crucial for the university as an adaptive organisation.

This list of topics is by no means exhaustive. But it might suffice here to show that the research training function of universities, the transfer of knowledge through 'the young generation of brains', and the recruitment for an academic career are loaded by a number of principle controversial debates on academic and scientific work and its changing nature. They highlight as well the importance of studies on the new generation of academics and on inter-generational change for the understanding of the overall transformation processes in the 'house of science'.

The Trainability of Employability: Higher Education and the World of Work

Finally, the relationship between higher education and the world of work is again among the key issues of debates whenever challenges for innovation in universities are at stake. This topic confronts us with changing expectations and growing demands as regards the qualification, certification

and status-distributive function of the university.

In the course of massification of higher education a lot of concern was about a quantitative match or mismatch between higher education and the labour market. Public debates and scholarly reflections in this area started in the 1960s with high hopes for more equal opportunities and economic prosperity by investment in education and training. The expansion of universities occurred as part of a larger societal development that was accompanied by a flourishing public sector. Its expansionist logic proceeded on a dual track, offering new educational opportunities as well as new employment opportunities in education, health and welfare in a kind of self-vindicating system (Nowotny, 1995). The 1970s faced the end of the dream of everlasting prosperity (Lutz, 1984). The pessimistic view spread that expansion of higher education had gone too far and that graduates' skills no longer matched the needs of the employment system. The debate was marked by sharp disagreements over a presumed over-education or under-employment of the many more graduates for whom not sufficient or not sufficiently well qualified jobs would be available (Psacharopoulos, 1987). In the 1980s expectations and empirical findings adjusted to a somewhat blurred state of affairs which neither supported the high hopes of the 1960s nor reinforced the deep sense of crises of the 1970s (Teichler, 1998). What emerged from the analyses was a mixture of vertical and horizontal adjustments in job placement, changing values and expectations of what was considered a desirable job for highly qualified and what was meant by a proper link between higher education and work. Several lessons can be drawn from these experiences. One is that an automatic link between university education and certain positions in the employment system cannot only be taken for granted but have never existed from a systematic point of view. In societies where certification plays an important role for job placement and career trajectories, the mechanisms through which this occurs and the expectations over how this should occur also change. Second, differences to national traditions of training and selecting those 'who are able to run society' are likely to be important and to be changed only over long periods. Third, differences between academic specialities are clearly important as well and tend to persist. Fourth, while professionals and experts in the sense of the various knowledge based occupations are becoming more important and influential groups in society, at the same time, systematic knowledge becomes more widespread in society, and a growing part of the population shares to some extent the

competencies acquired by those at the apex of society.

Since the 1990s a new process of adjustment and re-structuration is under way that tends to undermine the whole notion of a quantitative match (De Weert, 1999). The perils are no longer seen in diminishing return of investment due to growing competition or in the labour markets' being swamped by overqualified and dissatisfied applicants. It is nowadays more frequently underlined that it is the occupational structure and stratification system itself that has become mobile. This is accompanied by deep structural changes in the way the economy works as well as a perceived individualisation of the life course regime (Beck, 1986). The student body becomes more heterogeneous in terms of social background, age, levels of preparation and work experience, patterns of studying and learning, aspirations and life chances. The characteristics of occupations and jobs, the vertical as well as the horizontal division of work, the needs and reward structures of the employment system continue to be restructured. Learning-working pathways through education, training and employment tend to be de-institutionalised and re-institutionalised. Quality thus stands for possessing a mixture of skills and knowledge for new and changing configurations. Graduates are expected to be trained for what is increasingly seen to become a market for 'knowledge workers' in constant flux. The uncoupling between education and work thus becomes a new meaning as well as the attempts for re-coupling.

Universities are nowadays not only expected to continue considering fair access according to socio-biographic background and to strengthen the overall supply with a highly trained workforce in the sense of the old regime. They are also expected to further diversify structurally and, in terms of conditions on study and courses provided, devote greater attention to generic competencies and social skills, reshape their function for a society of lifelong learning, prepare students for a growing internationalisation, and serve practical learning beyond the class room teaching (Teichler, 1998). In other words, universities are expected to move from a 'front end' model to a 'life-span' model of education and training, to move from curricula to learning pathways (Jongbloed, 2002).

Certainly, such a vast and inclusive concept of the university in the knowledge society holds appeal with policy-makers, in part because it can serve to obscure attempts to define clearly what educational goals should

be pursued and who should be responsible for which provisions and actions. But we should be aware of ongoing changes while going beyond common ideas about desirability and anticipated benefits when we investigate the possible realities of change in this area and their possible positive and negative impacts. Behind the commonplace rhetoric, there are many unanswered questions about the ingredients for a 'miracle cure' to prepare a highly qualified workforce for an economy in transition. Issues at stake include the capacities of higher education organisations to adapt to changing patterns of student choice and study behaviour as well as to changing demands in the labour market, graduates' employability and the changing structures of highly qualified careers.

For one thing, this is so because those who observe the role universities' play in the preparation for work tend to come to rather divergent conclusions (Teichler, 1999). At one extreme, the university is perceived as an educational provider genuinely embedded in lifelong learning. Universities foster tacit knowledge, questioning and reasoning, critical and reflexive thinking, and primarily provide the knowledge and competencies for future tasks. According to this view, it is taken for granted that professional work is always comprised of processes of learning and productive work and that graduates have to be lifelong self-learners that actively shape the work place. At the other extreme, universities are youth-centered and program-oriented as far as the actual and desired clientele is concerned, and they rely on the old fashioned idea that full-time students can appropriately be piggy-packed with consistent stocks of knowledge prior to the transition from education to work. On this view, universities have to change dramatically.

There are at least two working hypotheses relevant to research on student differentiation and pre-career preparation as well. One emphasises the value of student and learning differentiation because the value of the credentials offered at the need of the learning trajectories declines as they become substituted by recurrent qualification and assessments all along the working career. The alternative hypothesis is that, unless new modules and credentials are established that are congenial for a flexible workforce over the life span, the need for aggregate and simplified assessment of competencies will undermine any successful step toward realising learning pathways (Tuijman, 1999).

Next to that, questions related to skills and competencies are on the

forefront of the debate over the relationship between higher education and work today (Enders, 1995; Teichler, 1999; Yoshimoto, 2002). This is an area where further conceptual and analytical work is of growing interest. This is to learn more about suggested 'key qualifications' or 'soft skills', and how they are related to the mix of 'hard skills' and 'tacit knowledge' traditionally provided. This is as well to learn more about the 'trainability' of 'employability', and the evidence for the recognition, transfer and portability of skills to and within the labour market.

Last but not least, because the dimensions of time and change are inherent in current debates, there is a clear need to map the relationship between higher education and work across the individual life course and investigate the cumulative age-, cohort-, and period-related effects over time. This calls for extending ongoing and establishing new longitudinal surveys of students and graduates as well as of life-course biographical research. What can be learned up-to-now from such studies tends to support stability rather than dramatic change (Mayer, 1990; Shavit and Müller, 1998; Heinz, 1999; Enders and Bornmann, 2001). But as we all know what might be a sign of the future to come must not be representative today.

Conclusion

As the 20th century has come to a close, the pace of change in our societies and their major institutions has accelerated. Although higher education is one among other sectors of our societies to reflect the effects of such powerful forces like 'marketisation', 'internationalisation', 'privatisation' or 'managerialism', the pressure to restructure universities and academic work is insistent and growing. What is frequently referred to as the rise of the service university, the emergence of the entrepreneurial university or the market-driven university reflects a more complex re-organisation of the modes of coordination in higher education. It reflects a new complexity of relevant actors and forces that has recently been referred to as the rise of the stakeholder society in higher education: changes in government-university relationships; the transfer of authority, responsibility, and accountability upwards (inter-, trans-nationalisation), to the side (de-regulation, privatisation) and downwards (decentralisation, localisation); changes in internal governance and management systems; and, last but not least, blurring boundaries between universities and external interests of

employers, industry, or service partners. From a European position, there is little doubt that the modern university as we know it - the university as a project of the nation-state and its cultural identity - is in a delicate and complicated process of transformation. The question of whether the current passage means the inevitability of the radical reformulation of the social mission and the tasks of the university is to me still an open one. For a number of reasons it is premature to evaluate the outcomes of an ongoing process that is in some respect in status nascendi. In this light I have outlined several perspectives of analytic interest to study the changing relationship between university and society, the old and emerging new modes of co-ordination in higher education and their underlying rationales, how these are being translated into organisational frameworks and responses, and also how they affect the basic functions of universities.

On the background of the CHEPS program on Higher Education in the Stakeholder Society and the spearhead program on Institutional Change of the Institute of Governance Studies (IGS), I have made an attempt to develop research perspectives for higher education studies with reference to four clusters of questions:

- What are the most important changes in government co-ordination strategies in the higher education sector? How do the changing modes of co-ordination influence the role and functioning of the university?
- How do universities respond to or interact with their changing regulatory environment? How the outcomes of these interactions affect the inter-organisational networks of universities and their intra-organisational governance structures and practices?
- How will the changes in the regulatory environment of universities affect the nature and locus of control and power in academe and influence research practices and reward structures? What are the consequences for the status and role of the academic profession?
- Which processes of adjustment and re-structuration in the relationship between the university and the world of work are under way? How will the knowledge economy affect graduate employment?

In tracking the development of governance theory and the interest for

actor-centered institutionalism, I have focussed on the causes, implications and effects of the decline of the traditional regulatory order for universities, the need to dynamise our conceptualisations and empirical tools in order to study stability and change over time as well as to take up the challenges of normative debates about the future of the university.

In following the organisational theories of the university, I have focussed on the 'black box' of universities with their intra-organizational networks and decision-making processes as well as with their new interfaces with environment in order to identify organisational change on an inter-organisational line as well as on an intra-organisational line looking for adaptation strategies.

In critically taking up debates on the changing role of knowledge and the 'changing modes of knowledge production', I have suggested to analyse the impact of changing governance structures and organisational environments on the rules and rewards that govern the scientific commons as the principal internal constituencies of the higher education fabric. Finally, in discussing the changing relationship between higher education and the world of work, I have raised questions concerning the capacities of higher education organisations to adopt to changing patterns of student choice and study behaviour as well as to changing demands in the labour market, graduates' employability and the changing structures of highly qualified careers.

The theoretical and empirical study of these thematic clusters can build and explore on the stimulating foundations that have been laid within the Center of Higher Education Policy Studies and the (former) Faculty of Public Administration and Public Policy with its strong interdisciplinary and international appeal. It is a special fortune that our interests are complementary to break new ground and explore new horizons for the study of the university within in the recently established Institute of Governance Studies and the new School of Business, Public Administration and Technology.

I am convinced that such attempts to study universities in a changing environment will contribute to our general understanding of societies in a process of transformation that strongly affects its major organisational layers. They can strengthen our theoretical understanding and empirical

analyses of institutional multi-level problems in complex and dynamic systems with sometimes contradictory functions, like universities. Increasing our understanding how these organisations adapt and accommodate may hopefully contribute as well to the policies and practices that govern the academic commons in the ongoing games that real actors play (Scharpf, 1997). This does, however, not include the offer of 'perfect solutions' to 'imperfect problems'. What my actor-centered political sociology has to offer to the contemporary university is more modest. It resembles what chess theory has to offer the chess player: a study of the rules of the game, of paths and their dependencies that have been followed with more or less success, of configurations and partial clusters of actors and structures, of situations where we are locked-in as well as of situations where we find windows of opportunity. This is much more than just telling the story of a certain number of chess matches, and chess players benefit a lot from studying chess theory and the empirical evidence it has to offer. But it is far away from offering advice for the perfect strategy in a game that comprises in each match more possibilities for inter-action between two players than there are atoms in the universe.

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