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**Where do we go from here?
Tertiary education in a global world: institutional views**

For many years now I have been a researcher in international comparative higher education policy studies. So this report and the conference as such for me were a great feast. Excellent work, comprehensive and systematic. Congratulations.

But I am also involved in the management and governance of TE, I will comment especially from that perspective. Also representing the body that I chair and that is part of the OECD, namely its programme on the Institutional Management of Higher Education.

Right, where do we go from here? One could say: it should be very easy from now on: as we now have this global manual on the steering and governance of higher education.

Well, I think we realise that it will be more complex than that. For various reasons (I mention 3):

1. First, if we considered this as a manual, it is foremost a manual for national-level or governmental policy makers. However, and as a consequence of the new governance concepts of autonomy & accountability, responsiveness, entrepreneurship even, and the models of New Public Management more generally, it is especially the institutional leaders that are expected to be in the driving seat. As, in terms of the same concepts and paradigms, the government is more and more steering at a distance. Although it is of course still responsible for the effectiveness and efficiency of the system as a whole and they are a major source of funding, connected to which is their main steering capability.

2. Second, the pro-active and leading role of institutions is not only expected from them by government and society, and built into arrangements for making universities motors of the knowledge economy and major instruments to achieve equity and social mobility. But such a responsive and even pro-active role is also pushed enormously by the pressures coming from global competition. Many TEIs, especially research universities are heavily involved in this global reality, which is sometimes called a global playing field. But it is certainly not a level playing field. Or a global market, but it is a highly fragmented market, sometimes overregulated and sometimes underregulated. And also their academic workers and their students are more and more globally engaged and mobile.

Yet, it is often taken for granted that many things are still under the span of control of the national government. But here new questions are emerging. As our colleague from OECD/STI has highlighted yesterday, there is an important interface between the R&D infrastructure, the availability of highly skilled workers (university graduates) and the presence of multinational companies. And as she said, both multinational companies and students/researchers are easily and globally mobile. We come to realise, especially in the EU, that the national level is sometimes not strong enough to coordinate these forces and that supranational strategies are necessary.

In other words, the dynamics in higher education are more complex than the vertical coordination between government and institutions. There are considerable horizontal dynamics at supranational (regional / global) level that have to be taken into account when we think about steering and managing tertiary education. I agree with the EUA representative who said yesterday that the transnational dimension tends to get weakened if we take the national context as our prime analytical perspective

3. And third, it will also be more complex because the main challenge is, as pointed out in the last chapter of the report, the actual implementation of reform. It is all about, what is now called the political economy of reform. And we have seen that countries / systems are at very different stages as where they stand in terms of the reforms proposed throughout the recommendations made in the report. For some it is current practice, others are working on it, again others have a long way ahead of them. Although there is of course no sole fixed or final point (no one size fits all model),

these differences, the different positions and the distances between them are meaningful in my view. We could probably call this the political geography of reform and we have to think about questions related to this. Like what is the impact of a strong performance of a certain system (or systems) on weaker systems in the same region or even globally? What mechanisms can improve the balance and avoid problems such as brain drain that may stem from it? What forms of cooperation can support capacity building, or should we perceive something like an international division of labour, and if so at what level? And what about knowledge and probably tertiary education as a global public good?

I mentioned geography already. And in order to understand the dynamics that affect TE systems and institutions we need to look also at aspects of social geography, demography to be more precise. Demographic change is as an important factor as is economic growth in terms of impact on the tertiary education sector.

We are in a growth sector. Over the last 15 years the number of students worldwide virtually doubled (from 68 to 132 million). And together with its workers this sector should include now at least 150 million people worldwide. And as we heard yesterday, investments in the R&D sector have also doubled (over the last xxx years). That's all fantastic.

But we have to look more precisely, where exactly is the growth emerging, where is it moving to / heading for? What may we expect in 10, 20, 30 years? Again, here big differences between countries and regions. Especially in many OECD countries we are facing an ageing society and decreasing birth rates. In some cases this leads to strongly shrinking populations (e.g. Japan, Italy, Germany, the Baltics, Russia). Decreasing birth rates: forecasts show that in a range of countries the number of students will drop dramatically in the years or decades to come and that the current TE capacity could only be sustained if institutions manage to compensate for the decrease of the traditional students group by attracting many more international students and/or lifelong learners. Is that feasible, are we prepared for that, do we have the strategies in place?

Ageing is reflected in the staff profile of the institutions. In my country polytechnics will lose more than half of their staff to retirement within the next 10 years. Research universities employ more young people, but the competition for hiring the best and the most talented is

going up and becoming more and more international. This is also driving up wages, with consequences for cost levels. Who can afford what quality of academics and what are the implications for the quality of the teaching and research?

From growth to diversity.

It has been argued various times during this conference that with the growth of the system, the diversification of it has also increased. Research on this shows in fact a different trend. We see a lot of isomorphism. Insufficient diversity at system level has been identified by the EC as a problem for European TE as a whole and by various countries around, including those who introduced unified systems some time ago.

Explanations of this phenomena were usually related to the type of steering and the regulatory framework at the national level. Now we are learning that also globalisation and especially the emergence of global university rankings are having an effect here. As we all know these rankings are virtually based on research performance, mostly measured by the amount of peer reviewed articles produced. This implies that there is in fact only one area in which universities can excel and gain reputation and that is research. This leads to the phenomenon of global reputation race. This leads rather to less than to more diversity. And in fact there is only one model of the university that can have global standing: the large comprehensive research university. This is further stimulating academic drift in the system and jeopardizes the status of activities that universities undertake in other areas, such as teaching, innovation, their contribution to regional development, to lifelong learning, etc. and of institutions with different missions and profiles. Therefore better indicators need to be developed to measure and value the performance of institutions in those areas, so that institutions would really be stimulated to excel in other areas and to develop a distinct profile and mission. Besides indicators, also the development of a good classification of institutions is helpful here. Work on this is underway in Europe and in China in consultation with the experts in the USA who developed the Carnegie Classification.

The study of rankings has also demonstrated that size matters. And we see indeed in a range of countries substantial initiatives to create larger scale, including mergers of institutions and/or research centres. When it concerns large scale infrastructure this has obvious cost-effectiveness advantages and it may indeed pay off in terms of appearance in rankings, as it creates a combined performance, in terms of publications that can be attributed to the one

institution. But, as we heard yesterday from our colleague from STI, we cannot take it for granted that more publications stand for better quality of research. Or more patterns for more effective innovation. There may also be unintended effects. Indeed, steering too much on that type of research outputs has disadvantages. Academics become much less motivated and interested in teaching or in interaction with the business community when all the rewards are related to their number of publications. In the UK the RAE was adjusted to include now also the impact and relevance side of research. This may be an example of the recommendation done in the report that we need to improve indicators for measuring research in order to avoid too many unintended effects and to make sure we are still focussing on quality and not only on quantity. Enlargement of scale, creating more large size institutions may also have serious implications for the teaching side. The experiences there are not always favourable and have to be weighed against the possible benefits in the research area. As should also the different disciplinary domains. Effects of scale enlargement on humanities and natural/medical sciences are not quite the same. Comprehensive research universities face important challenges here across the range of disciplines and on the research – teaching nexus.

And finally, back to the human resources again. The question of who is going to do it, who is going to do the job, which is always so important in the relativity of institutional management. And I come back to my first point as well. That it is the institutional leaders that are expected to be in the driving seat, to take responsibility, etc. The development of leadership capacity is enormously important in relation to the challenges I presented. And is in terms of structured preparation, career planning and professional development, not always supported optimally. There are excellent examples of leadership programmes, such as in the UK. And also in Australia a new institute, the L.H. Martin Institute, has been created for this purpose. In the USA a range of programmes exist and Germany has established two some years ago. There are certainly more initiatives, but we cannot yet speak of a systematic and sufficient infrastructure in this respect.