

Causes and Effects of University Reforms in Industrialized Countries – An Overview

Hans G. Schuetze*

Fifty years ago, the main challenge for industrialized countries was to open access to post secondary education beyond the small cohort of students that had the privilege to attend upper secondary education and then go on to university. The transition from an elite to a mass system of higher education meant building up massive capacity and increase study places in universities and other new non-university institutions such as community colleges in the US and in Canada, polytechnics in the UK, and Fachhochschulen in Germany. Virtually all OECD countries have now enrolment ratios of over 30 percent, and in some countries, for example the US, Canada and Japan, approximately half of the typical college age population is enrolled in some kind of post-secondary education program. Therefore, general demand for increasing access and participation in higher education which was the main driver of reforms in the 1960s and 1970s, and again in the early 1990s, has now largely been satisfied. In fact, in some countries such as Japan there is now excess capacity and decreasing student numbers have led to the closure of some institutions and to mergers with others.

While industrialized countries thus had been primarily concentrating on reforms consisting of enlarging existing and building new institutions, they have more recently embarked on different types of reforms. Multiple forces have put pressure on policy-makers and institutions to change especially the universities' mission, structures and *modi operandi*, in order to make them more 'relevant' to the needs of society, more 'efficient' and more accountable. As a consequence, universities in the US, Australia, Europe and Japan have undergone far-reaching reforms, resulting arguably in the most radical changes since the emergence of the modern university system some 150 years ago.

Although rational models of planning suggest otherwise, 'university reforms' are not always large-scale and comprehensive changes but often occur in a piecemeal fashion. Neither are they always the result of rational planning processes with long-term time horizons. There are exceptions, of course, where reforms have been fundamental, thoroughly planned and with a view to a long-term time frame. Examples for such major reforms have been Humboldt's attempt in Prussia to create a modern 'research university' in the first half of the 19th century, and the creation of new types of industry-oriented institutions such as land grant universities in the US and Technische Hochschulen

* Professor, University of British Columbia, Canada, e-mail: schuetze@unix.ubc.ca

(technical universities) in Germany in the second half. Examples from the 20th century include the master plan, designed by Vannevar Bush, president Franklin Roosevelt's science advisor, at the beginning of the Cold War, which promoted academic research and linking it to developments by industry for the creation of modern technologies and weapons, the California 'Master Plan', the recent reforms in Japan that have eliminated earlier barriers to university collaboration with industry, as well as the massive structural changes in Austria and again in Germany at the beginning of the 21st century.

Since this workshop series explores¹ various dimensions of university reforms, it might be useful at the outset of the third workshop to briefly delineate the field and ask some questions about the reform causes, directions and the effects.

In this paper - which is meant as an overview rather than an in-depth exploration of the issues - I shall therefore first talk about some major factors and forces of change. Many of these are external to universities and to education generally, for example globalization and its various manifestations and effects, and the penetration of the (not so) new (anymore) information and communication technologies (ICTs) in all sectors of life, including university laboratories and classrooms. Others are more higher education specific, even if they are triggered or influenced by the environment in which these institutions operate. This distinction between external and internal forces of change, although not quite cogent because the close interrelationship between some of the latter with the former, are nevertheless convenient for organizing this essay.

I shall, secondly, address the directions of reforms as well as their effects, both the intended and the (maybe) not intended. Interesting especially in comparison between countries is the question of the dynamics of reform, i.e. of the influence of 'world models', international rankings of 'world class' universities, isomorphism, and government induced strategic change, exemplified by the European Bologna process.

In the concluding section I shall speculate briefly about future developments and possible directions of the next round of reforms and change.

1. External forces and factors of change

¹ The first of these took place in August 2004 in Vancouver, Canada, the second in Vienna, Austria, in July 2006. For the main papers of the former see the Special Issue of the Canadian Journal of Higher Education vol XXXIV Nr. 3; for the abstracts of the papers presented at the latter see the web site of the Institute for Higher Education Research of the University of Klagenfurt <http://www.iff.ac.at/hofe/events/reformHE/>.

External forces and factors of change are, of course, many. They provide, together with the more university or (higher) education specific factors (see below) the rationale and the context for reforms. I shall mention four such factors here: Globalization, the new ICT technologies, the changing relationship between society and its public institutions, and the new emphasis on markets and market mechanisms.

(1) One major argument for advancing educational reform, in fact the most common one, has an economic rationale. Preparing the workforce to be well trained and adaptable to changing market and technical conditions has become the main mantra of policy makers and seems now to be the main educational objective both for school and postsecondary education. Ever since Robert Reich's (1992) observation that capital and technology, are mobile and available world wide and that therefore the competitive advantage of a country lies today in its workforce, ministers of economic affairs and industry leaders everywhere have taken an active interest in 'human resources development', i.e. education and training. While this emphasis of the importance of a well trained and adaptable ('flexible') labor force is not entirely new, other objectives of education, for example social mobility and individual welfare, which were dominant in the 1960s and 1970s, have moved to positions further down in the political agenda. Human resources have become even more important in light of the emerging 'knowledge based economy', a metaphor that makes 'knowledge' the most important factor of production, and learning the motor of innovative economic development.

Even without such reference to modern economic theory and political discourse, it is obvious that all countries, especially the industrialized ones, have entered the era of 'globalization', and here is a question to what extent, and in which ways globalization has in fact been an influence on recent reforms or changes in education.

Globalization, a relatively recent but by now ubiquitous term, describes originally the emergence of a global market system for the unfettered flow across national boundaries of capital, goods and services. The term has since become more pervasive and, at the same time, less precise. It has become an umbrella term for movements and developments of all kinds that transgress national or regional boundaries, including people, knowledge, culture, as well as models of 'excellence' or 'best practice'. While it is therefore no longer a purely economic term, it nevertheless continues to be associated with its capitalist origin and connotes privatization, market rule, competition, resources, and profits.

Globalization produces contradictory effects: On the one hand, we see a great deal of transnational homogeneity or uniformity, illustrated by identical or similar fashions, cultural events, and

shared values and understandings. On the other hand, because of the stress on competition and efficiency, globalization has also the effect of increasing inequality and heterogeneity within society.

There is no doubt that globalization has reached education, not just tangentially but in a massive fashion. Globalization affects not only the way teachers are teaching and learners are learning, but also what is being taught and learned, and why, and how education is organized, regulated, financed and controlled. For example, internationally standardized tests such as the PISA², by which high school students' performance is assessed and compared, are influencing the curriculum since schools tend to concentrate on test relevant subjects. By contrast, other fields not subject to tests because they are more difficult to measure or not seen as relevant for the success of graduates in the labour market, are given less attention, time and resources. However, these other fields may be equally or even more important in terms of education for personal development and fulfillment as well as for active citizenship and civic engagement, Examples are history, social studies, civic education, education in creative subjects such as music, arts, poetry or theatre, and team-based school sports.

Most important in terms of moving towards globalization in education, however, is the inclusion in principle of education under the General Agreement on Trade in Services (GATS) which came into effect with the formation of the World Trade Organization (WTO) in 1994. Education is one of the areas described as a service that can be traded. However, most countries did not want education included when they first signed on to the WTO and GATS.

In the recent rounds of WTO negotiations, some countries, especially the US, have pushed to expand the coverage of education into the trade rules. By contrast, many educators and especially educators' unions have tried to convince their governments to keep education out of any expansion of the GATS with the argument that once education is commercialized and covered under trade rules, trade rules can take precedence over government policies.

(2) Another external factor are the ICTs which have penetrated of all sectors of society. There is no room here nor is it necessary to spell out in detail the many uses of these new technologies in higher education. Especially their role in teaching and learning has given a new meaning to 'distance education', and access by learners to the Internet, various databases and on-line libraries has not only widened significantly access to the key ingredients of knowledge, data and information, it has also changed profoundly the role of the teacher in the process of learning.

² The acronym for the OECD's Programme for International Student Assessment

Policy maker tend to regard e-learning as a chance of widening access and participation at lower cost than traditional class room based education. Likewise, entrepreneurial institutions both old and new have tried to profit from the ICTs by designing new or exporting traditional programs into 'new markets'. So far, the great promise (or threat – depending on the perspective) that ICT based programs would make many traditional campuses and class rooms obsolete has not materialized as many of the new Internet-based programs are poorly designed with respect to their pedagogic method and therefore seen by many learners as not at par in quality with traditional programs (see for example Ryan, 2001).

(3) The third trend is a general distrust in educational institutions regarding their ability to deliver quality education and a lack of confidence that they will reform themselves when and where necessary. This lack of confidence extends to teachers and administrators as well. This phenomenon is part of a more general trend, namely an erosion of confidence and trust in public institutions. One of the results is the rise of mechanisms for more control and accountability. In higher education, performance indicators, external quality assurance systems are examples for such mechanisms.

(4) Another general trend is a new fiscal environment for public institutions, in particular for the educational sector. This is evident from the fact that, unlike earlier large-scale educational reforms for example in the 1960s, the present round of reforms is usually not accompanied by additional money (Levin, 1997). Not only have governments decoupled reform from major new funding, many reforms are coinciding with cuts in regular educational budgets and general purpose institutional grants. This is not by accident but in line with the new emphasis on increasing efficiency (or 'productivity') through competition and new forms of business type management. At the same time, the share of 'targeted', 'incentive-based', and competitive funding is increasing, and administrators and faculty are encouraged, in fact requested to seek external funding (see for example St. John & Parson, 2004).

This development is closely linked to the dynamics and economic effects of globalization, mentioned above, that emphasize a shrinking state sector, lower taxes, consumer choice, rational management, performance assessment, and de-regulation in order to open access to the market to new private providers (see Rhoads&Torres, 2006). This trend towards privatization, 'corporatization', or 'marketization', also been called 'academic capitalism' (first by Slaughter&Leslie, 1997), has been especially influential in driving recent university reforms, including in Japan (cf Branscomb et al, 1999, Schuetze&Fujitsuka, 2002; Yamamoto, 2004).

These four contextual trends or elements have been very influential in triggering and shaping recent education reforms in many countries. They are not specific to higher education although they

seem to be particularly manifest in recent university reforms. Let us now briefly look into some other factors that are more specific to higher education.

2. University specific factors of change

Four factors that are more higher education specific which seem to have been also of particular bearing on reforms: The internationalization of Higher Education, program diversity, student choice and consumerism, the changing relationship of research and development, and, closely related, the commercial exploitation of university research.

(1) Internationalization – the flow of greater number of students and academic teachers and researchers across national borders – is, although clearly linked to the enhanced mobility of human resources in the course of economic globalization, also (higher) education specific. It is in part a market phenomenon: Education institutions, looking for additional revenues from non state sources, have discovered that there is an education ‘market’ in the form of tuition from foreign (international) students that is estimated to be around \$ 30 billion per annum. In order to get their share of this influx of international students, universities compete for these students both by attracting them to their campuses and also by exporting their ‘education-ware’ to other countries, for example in the form of operating satellite campuses and programs overseas, and licensing to foreign institutions the teaching of their programs and curricula allowing foreign students to acquire foreign degrees in their own country.

While generating fee revenues may be the dominant motivation for Western countries which receive the bulk of international students, it is not the only reason why HE institutions are interested in attracting foreign talent. Apart from the practice and tradition of welcoming migrant students and scholars that was one of the characteristic features of the medieval university, there is also an awareness of the larger and longer-term cultural and economic benefits. Therefore, internationalization, i.e. trans-border mobility not just of students but also of academic staff is bound to grow, even if some aspects of it, for example the quality of academic programs, are seen as a challenge (see for example Teichler, 1999).

(2) Partly as a consequence of the development towards ‘massification’ of higher education and the growing diversification of institutions and programs and hence greater student choice, partly also because students are required in most countries to assume (in some systems or institutions a substantial) part of their education, and partly perhaps due to learners become autonomous and individual in what they want to learn, students have started to behave as ‘consumers’. This student

'consumerism' has positive effects as institutions are competing for students, especially good ones, by offering programs that are more tailored to student needs, better student services, and financial assistance. It also has negative effects as some (some observers claim: many) students will choose programs with requirements that are easily met without sufficiently engaging students intellectually and educating them to be independent and critical. With the exception perhaps of highly prestigious institutions, universities, as they are competing with each other for students, are often compelled to make a choice between maintaining rigorous academic standards on the one hand and attracting the number of students they need to enroll in order to generate revenues by lowering standards and increasing non-academic program elements (see for example Geiger, 2004).

(3) As globalization and the shift to a more knowledge-based economy are putting an increased emphasis on new knowledge and innovative technologies, universities' role in contributing to economic development by generating 'relevant' knowledge through research has grown. As a consequence of a mix of greater expectations on the part of governments, more lavish public funding for research, and a new economic stake that universities and researchers have in economically usable research, the traditional research paradigm has shifted.

This shift has several consequences. One of them is that the traditional distinction of R&D, i.e. the division of labour between universities (which did 'basic' or 'pure', basically 'curiosity driven' Research) and industry (which engaged in 'Development' from research results to a marketable product) has given way to a more integrated process whereby the generation of research is no longer neatly separated from development and application. This means that the trajectory from the university laboratory to the innovative product or process developed by industry is no longer linear, but occurs in more circular and collaborative fashion where feed-back loops and networks of different partners have replaced the solitary university researcher doing his or her work in the 'ivory tower' (see for example Mowery, Nelson, Sampat and Ziedonis, 20004; Nelson, 2005; and Novoty, Scott and Gibbons, 2003).

Another consequence is the shift from university research that was governed by rules such as openness and accessibility and absence of direct monetary rewards of researchers for their research (Merton, 1973) to a system of private ownership by university researchers and universities of so called intellectual capital (IP), i.e. a legally protected and tradable and therefore competitive good. This move from research-based knowledge in the public domain to a new system based on market-driven incentives and rewards was the result of both universities and individual researchers being interested in generating new revenues as well as a push by governments in their attempt to better harness the results of university research for making national (or regional) economies more competitive internationally.

(4) This shift from university research being a public function to market rule and commercial exploitation is not a isolated phenomenon, however, but part of a larger picture. Growing reliance on non-governmental sources of funding has also led universities to export their programs to new 'markets' by using on-line education to increase tuition revenues, offering continuing education programs, formerly also a public mission, for full costs or with a profit, engaging in the stock market by issuing bonds to raise capital, and selling all types of goods and services – food, parking, student and faculty housing, their brand names, athletics, entertainment, real estate developments, executive MBAs, etc. (Geiger, 2004). The consequences of this shift to 'academic capitalism' (Slaughter & Leslie, 1997), widely described and analyzed, has been welcomed by some, and severely criticized by others (for an overview see Schuetze, 2007).

3. Some reform effects

The effects of reforms are of course many, both intended and unintended. Let me mention here a few, commercialization of university functions, competitiveness, and managerialism.

The commercialization of universities and their services has all kind of consequences for faculty and students and for research and learning, described by the critics of this development (see for example Washburn, 2005). It also has strengthened the management function of universities and has led to an adaptation of business modes and models for administering universities (see for example Bok, 2003; Birnbaum, 2001). Strategic planning and marketing, the quest for greater efficiency and enhanced 'productivity', and the introduction of accountability for example through so-called quality and tighter financial control mechanisms are examples by which faculty are losing autonomy and control over their research, teaching and engagement in service for the community activities.

This professionalization of university management has greatly strengthened the position of university presidents and Deans as well as the various governing bodies that, at least in North American universities and since recently also in Japan, are making basic decisions about the business side of the institutions. Within the universities this has led to a greater concentration on managerial, organizational, financial and procedural issues whereas debates about matters like the university's academic mission, academic standards, the meaning of internationalization beyond increasing fee revenue, and ethical issues are taking second place.

This emphasis of managerialism has shifted the weight on the two axes within the institution from the horizontal to the vertical. This is documented by the great proportional increase over the last twenty years of managerial personnel, very often at the expense of regular faculty as well as the loss

of influence of all collegial bodies, such as Department of faculty meetings and, most importantly, by the university-wide academic senate. Rather than being a strong and independent body through which faculty (and sometimes staff and students) collectively determine all matters academic, the importance of these collective bodies has been greatly reduced in comparison with the 'chief executive' and the governing board (alternatively called Board of regents or the like).

The result of some of the reforms that have been implemented over the last two decades or so has hence been the gradual shift to a new model of university, alternatively called 'managerial' or 'entrepreneurial' university (Clark, 1998). This new model, the result of a more volatile and competitive environment in which universities operate and which is part of the economic globalization, mentioned before, has a number of features that traditionally universities did not have: They are more closely engaged in (regional) economic development, actively competing with other institutions for talent, money and 'market niche', and building alliances with industry and other external partners. They are strengthening their competitive profile through various mechanisms, for example by strategic marketing and by attempting to positioning themselves in league tables and rankings, both national and more recently also international, to appeal to consumers, i.e. (potential) students and faculty, granting agencies, industry, and to alumni and other potential sponsors and benefactors.

4. From here to where?

Summarizing thus some of the directions and effects of university reforms one is led to believe that universities worldwide, or at least in the industrialized world, are moving into a similar direction, largely independent of the traditions and idiosyncrasies of national systems. This is indeed the thesis of an influential school of thinking which argues that a number of factors will lead to a worldwide convergence (see for example Meyer & Schofer, 2005). On the other hand, the increasing diversification of higher education systems everywhere seems to point in a different direction.

Clearly, the old isolated, stand-alone ivory tower type university is becoming an endangered species and there are many factors, some of the mentioned above, that are driving universities into new directions. The trend towards networks of research and learning, internationalization with its unfinished agenda, the ICTs with their still largely untapped potential, competitiveness and the attempt to create market niches, and commercialization with its partly adverse effects have, or will have effects that are difficult to capture by a single one model. This can be assumed -in spite of the many influences that push universities into a rational, Western type model of the university.

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