

# Reflections on Global problems of Higher Education: a European Perspective

Ellen Hazelkorn

Vice President, Research and Enterprise, and Dean of the Graduate Research School  
Head, Higher Education Policy Research Unit (HEPRU)  
Dublin Institute of Technology  
ellen.hazelkorn@dit.ie

AERA's Division J and NAFSA: Association of International Educators.  
26 and 27 April, 2013

## *Internationalisation Agenda*

As a field of study, a policy framework and a focus of institutional strategy and practice, international higher education has been transformed over recent years. Changes in terminology and emphasis, from (for example) studies of national systems, comparative higher education, internationalisation and globalisation track and reflect the impact and effect of politico-economic transformation of the world economy and the influence of the knowledge economy paradigm on higher education and citizens.

The last decade has witnessed a dramatic change in the role, responsibilities and organisational model of higher education. If the latter decades of the last century were marked by continuing expansion and widening participation – moving firmly from the elite into the universal phase – the 21<sup>st</sup> century has witnessed the intensification of competition across most sectors raising the profile of knowledge-intensive industries – including higher education. Today, our pre-occupation with the relative standing of national education systems and universities – illustrated by the growing popularity and obsession with university rankings – reflects the consensus that higher education is essential for economic growth, global competitiveness and civil society. Nations and universities are measured according to indicators of global capacity and potential in which comparative and competitive advantages come into play. These developments are leading to noticeable shifts in the world order, creating a single world higher education market. Pursuit of world-class status has pushed up the premium of selective elite research universities, in turn influencing national policy-making, institutional decision-making, stakeholder opinion, academic behaviour and student choice.

With the onslaught of global rankings, these factors have transformed international education from a focus on the student experience, issues of student/cultural exchange and junior year abroad to consider much broader concerns and challenges of/for higher education. This includes, inter alia, “increasing numbers of globally mobile students, the rise of MOOCs, or massive open online courses..., and the proliferation of academic programs taught in English, which universities in non-English speaking countries view as a mechanism for increasing their international student enrolments” (de Witt, 2013). For scholars and policymakers understanding higher education within an international perspective or the global problems or shared experiences of higher education cannot be ignored, while having an institutional international strategy is now *de rigueur*. While national and institutional context defy simplistic comparisons, there is a shared experience.

## *(Four) Dimensions that deserve (continuing) attention*

- ***Reshaping Higher Education Systems and Institutions***

As the global economic crisis – especially in Europe – persists and deepens, the role of higher education as a driver of economic recovery – and hence a key determinant of a nation’s position in

the world order – has moved to the top of the policy agenda. Yet, while some governments are able to invest heavily or at least maintain the current level of investment (often as part of stimulus) others face serious financial strain; across the European Union, the picture is very mixed with some countries, e.g. Ireland, Latvia, Greece, Italy and the UK experiencing reductions up to 40% in public funding by 2015. Investment in European universities probably surpassed the US at the beginning of the 20<sup>th</sup> century, but failure to invest and expand after WW2 has turned the tables (Ritzen, 2010, 53, 66); in the future, Brazil, Russia, India, and China will dominate future R&D growth, overwhelming Europe and Japan and eventually matching the level of investment in the US. Higher education has always been competitive, but the emergence of global rankings has made competitiveness more visible and multipolar.

For Europe, these developments are causing major concern when placed alongside the European Union's aim to make it "the most dynamic and competitive knowledge-based economy in the world" (Lisbon European Council 2000). There is a growing worry that "Europe is no longer setting the pace in the global race for knowledge and talent, while emerging economies are rapidly increasing their investment in higher education" (Europa, 2011, 2). As concerns about global competition have risen, the EU has taken an increasingly interventionist position, less concerned with supporting institutional diversity and more with enhancing excellence.

Broadly speaking, three main concerns dominate European policy on higher education and research:

1. Too few European higher education institutions are recognised as world class in the current environment of research-oriented global university rankings. This is because "higher education institutions too often seek to compete in too many areas, while comparatively few have the capacity to excel cross the board" (Europa, 2011, 2). Compared with the US which has only ~200 research-intensive universities, Europe's has ~4000 universities which claim or want to be research-intensive (Europa, 2011, 2);
2. European universities suffer from poor governance, insufficient autonomy and often perverse incentives. This is due to a combination of factors including the predominance of traditional de-centralised organisational structures and civil service-type governance arrangements and academic contracts; and
3. Public policy has favoured higher education as public good, supporting social/cultural objectives rather than economic ones in the belief that all universities should be similar in quality rather than some being more excellent than others. As a result, public funding is spread too thinly across too many universities.

If the Bologna Process and the European Higher Education Area (EHEA) were about comparability, mobility, transparency, accountability, quality, then the Lisbon Agenda (2000) and the European Research Area (ERA) were about competitiveness, world-class excellence, attractiveness, and the Innovation Union is about completing the ERA and the translating knowledge into new products and services.

The same tensions are evident in how university-based research is now viewed. *Horizon 2020*, for example, speaks of "bridging gap between research and the market via development of technological breakthroughs and translation into viable products with real commercial potential" (Europa, n.d.). Once research is seen to have value and impact beyond the academy, there are implications for the organisation and management of research at the national and institutional level, what kind of research is funded, how it is measured and by whom. This is leading to significant rebalancing between higher education and research as vital for human capital development vs. its contribution to economic development; between an emphasis on intellectual/researcher curiosity vs. alignment with national priorities; between funding excellence wherever it exists vs. targeting funding to strengthen capability or build scale; and between encouraging new and emerging fields and higher education institutions vs. prioritising existing strengths.

Likely policy implications include targeted resource allocation leading to greater system differentiation accompanied by institutional and social stratification, at both national and European levels. Given the uneven distribution of capability and capacity across and within the EU's 32 Member and Candidate countries, there is likely to be increasing concentration of resources in a handful of institutions and countries.

- SUSTAINING MASS PUBLIC HIGHER EDUCATION

The historic decline in growth across OECD countries has exposed fundamental weaknesses in the underpinning funding model and public expectations of higher education. The demand for higher education is intensifying (surging demand coupled with labour market requirements) at the same time that costs are rising, and public and private debt is reaching unsustainable levels in many countries. The UN's lowest estimate expects additional 117m people on Earth by 2050. To meet this demand, requires at least one sizeable new university to open every week over next decades. It is becoming increasingly evident that no government can/will be able to afford to fund all the higher education that its citizens demands or society requires.

Arguments favouring cost-sharing have sought to shift the cost of higher education from the state to non-government sources, such as the individual. The gap between rate of change in tuition-fees and household income is most pronounced in the US, but there are similarities elsewhere; tuition-fees are highest in the U.S. followed by Korea and the UK. Global competition and international comparisons, such as OECD and rankings, has pushed up the investment arms race. This is putting a phenomenal squeeze on funding and affordability.

Most European countries have prided themselves on the fact that education/higher education has been virtually free. However, the European social model is coming under increasing pressure; the UK experience with its introduction of income contingent loan scheme based on the Australian model is the thin-edge-of-the-wedge – and other countries are looking on with great interest. Germany introduced fees (approx. €500 per term) but then recanted; other countries have avoided tuition fees for domestic/EU undergraduate students but have chosen instead to tentatively charge international (non-EU) students. Ireland abolished tuition fees in the mid-1990s, but given a combination of accelerating demand and substantial declines in government revenue, various options are now under consideration, including a higher contribution from families who can afford to pay, variegated fees for different programmes, allowing institutions set a market-based fee, restricting student numbers nationally or per institution, and expanding the role of private providers. Norway, with its North Sea oil deposits, is an exception. Even the EU itself has struggled to preserve its celebrated R&D programme, *Horizon 2020*, in the face of mounting criticism from member states, many of whom are unable to meet the Lisbon 3% GDP target; currently there is a stand-off between the European Commission and the European Parliament over whether to reduce the proposed €80bn *Horizon 2020* budget to €69bn.

Given these contradictory forces, it is uncertain how the long term sustainability of mass public European higher education can be preserved into the future. Many governments and institutions are seeking to solve the problem on the cost-side – reduced cost per student, higher staff/student ratio, cheaper faculty, cheaper facilities, etc. Almost inevitably, institutional differentiation is reflected in greater social stratification (Table 1).

**Table 1: Increasing Stratification**

Elite Research Universities	Mass Teaching HEIs
<ul style="list-style-type: none"> <li>• <i>Developed countries:</i> elite/selective HEIs are private cf. <i>Developing countries</i> elite/selective HEIs are public.</li> <li>• On-line (free) used to extend market/global reach.</li> <li>• Traditional, full-time high-SES and high achieving student.</li> <li>• Campus with credentials and prestige capable of boosting one’s status relative to others.</li> <li>• Full-time, tenure-track faculty likely to continue and increase.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Developed countries:</i> mass recruiting HEIs are public HEIs cf. <i>Developing countries</i> mass recruiting HEIs are price-sensitive for-profit.</li> <li>• Technology used in for-profits to reduce costs and increase learning in remedial and introductory-level classes.</li> <li>• Part-time, mature worker-learner student of lower middle income backgrounds.</li> <li>• Metropolitan/distance learning.</li> <li>• Increasing reliance on non-tenured, adjunct/part-time faculty – often with multiple employments.</li> </ul>

• **MEASURING QUALITY, VALUE AND RELEVANCE**

Quality and excellence are now key drivers impacting on and affecting higher education, nationally and globally. While higher education has always been competitive, globalisation and the emergence of global rankings have placed consideration of higher education quality within a wider comparative and international framework. They have successfully linked the attractiveness of nations/world regions with the talent-catching and knowledge-producing capacity of higher education. If higher education is the engine of the economy, then the quality and status of HEIs and university-based research are vital indicators of competitiveness. This has transformed quality from something led by higher education into something driven and regulated by government.

Over the last decade or so, there has been an explosion of what are euphemistically called transparency and accountability instruments and tools, operating in tandem but differing considerably with respect to purpose, policy orientation, stakeholder and customer (colleges guides; accreditation; quality assurance, evaluation and assessment; benchmarking; classification and qualifications frameworks; rankings). There is a continuum from student-focused college guides and more recently government websites (e.g. *MyUni*, *Unistats*, *Winddat*) to institutional-led and oriented evaluations as per the EUA, to the light-touch holistic audit operated by FINHEEC (Finnish Higher Education Evaluation Council) to the regulatory and risk-based approach of TEQSA (the Tertiary Education Quality and Standards Agency) in Australia. The US has seen the progressive incursion of federal oversight, first signalled by the *Commission on the Future of Higher Education* (Spellings, 2006) and more recently, the announcement of a College Scorecard by President Obama in his State of the Union Address (Obama, 2013).

Today, there is an increasing emphasis on standards and outcomes, most common in professional accreditation processes but now becoming a feature of national systems, such as TEQSA. This represents another Rubicon being crossed, in that the latter will have extensive powers to register and evaluate the performance of HE providers against (teaching) standards set by the Minister (Massaro, 2013). The “voluntary” or “self-regulating” aspect of many processes hides the reality that confidential outcomes are no longer acceptable and failure to participate can have significant implications for institutional legitimacy, funding or reputation. There are also implications for institutional autonomy and self-accreditation, where that exists. Rankings, especially those operated by commercial media organisations, have taken quality assessment beyond both the institution and the nation-state, and arguably challenging national sovereignty. Open source and social networking sites go still further, and put tools directly into the hands of students and other stakeholders, bypassing higher education and government altogether. The involvement of two supra-national organisations, the EU (U-Multirank) and the OECD (AHELO), represents a further paradigm shift.

Both were launched with great fanfare about challenging existing systems, but equally both have run into difficulty.

This transformation is not surprising. As globalisation accelerates and market principles intrude further into higher education, there has been a growing necessity to regulate the marketplace. In a global professional labour market, international quality assurance and recognition provides needed confidence for prospective students and employers. The EU has consistently linked the necessity of reaching and maintaining “an assurance of quality that is widely understood in the world” with ensuring Europe can compete “as well as the other leading providers of education services” (Europa, 2011). It has acknowledged that both national and European standards are no longer sufficient; rather there is a need to improve the international attractiveness and competitiveness of European higher education (Europa, 2011).

These developments reflect greater government involvement – at national and increasingly at supra-national level – either directly in the process or in the assessment of outcomes for policy- and decision-making. They suggest that higher education has effectively lost its role as the primary guardian of quality (Harman, 2011, 51).

- **DEMOGRAPHIC CHANGE AND GLOBALISATION OF HIGHER EDUCATION MARKET**

Because higher education has become an indicator of global competitiveness and a beacon for mobile capital, business and talent, international students are a vital part of most government strategies. The birth of the Bologna Process was predicated on the free movement of students, faculty and workers across national boundaries but today that objective is balanced by a recognised need to attract crucial talent and investment from the world to Europe. Many European countries are experiencing a serious demographic deficit which is beginning to affect the pool of secondary students, ultimately challenging government strategies for growing knowledge-intensive sectors of their economies. In the U.S., the pool of high-school students is anticipated to fall by 10% over the next decade, and the German government predicts that even with 200,000 immigrants a year, Germany's population will shrink from today's 82.5 to 75 million by 2050. In Australia, education services have been third largest export earner, just behind coal and iron ore, while “well-trained international graduate students and skilled immigrants from such countries as India, China, Korea, and Singapore (the last two of which rank at the top in mathematics and science achievement)” into the US plug the education gap caused by deficiencies elsewhere in the system (Chellaraj et al., 2005, 2). Under GATS, international or cross-border student mobility has become a recognizable, tradable commodity which is likely to encompass 7.2 million students annually by 2025 (Varghese, 2008, 11).

The importance of the lucrative international student market has raised the global competitive stakes. Knowing that people with higher levels of education are more likely to migrate (Europa, 2006a), governments around the world are introducing policies to attract “the most talented migrants who have the most to contribute economically” (Rüdiger, 2008, 5), especially in science and technology. The EU Lisbon Agenda requirement to double the number of PhD students is an example of a “talent-dependent” strategy; the well-funded European Framework programme is now open up to non-Europeans. Governments are seeking better alignment between higher education, innovation and immigration policies to guarantee access to the global talent pool; Denmark and the Netherlands are two examples of countries which use global university rankings to deliberately target high-achieving graduates. As the same time, HEIs are “diversifying” their income options – using international recruitment as a vital resource to counterbalance declines in public funding. Individual university units are incentivised to pursue such strategies through favourable resource allocation mechanisms. These developments have transformed internationalization from a policy of cultural exchange to seeing international students pejoratively as “cash cows”.

The format for the international student experience is also changing. At one level, the semester abroad or summer programme at partner institutions or “international premises” has been replaced by embedding global citizenship more firmly within the curriculum, and actively linking global concerns and engagement with research opportunities. The attributes learned are applauded by employers who stress the importance of transversal skills. Today, having an international strategy is *de rigueur* for all/most HEIs.

International partnerships are also essential. Following the behaviour of other transnational knowledge-intensive industries, HEIs have moved swiftly along a spectrum from international partnerships to branch campuses and franchising to global partnerships. Even this has moved to the next level, with the recent announcement of a new alliance that four networks have come together to form an even more powerful global network of the most successful research universities with the intention of influencing/dominating national/supra-national research agendas and effectively funding (Maslen, 2013a, 2013b). MOOCs represent significant change in the pedagogical model and can (may) help widen access; but, in business parlance, they also help extend market reach for a few dominant players while putting enormous pressure on non-elite/mid-tier institutions.

These changes reflect the intensification of competition between individual HEIs. International partnerships for cultural, student and faculty exchange are increasingly conducted through global networks enabling HEIs to extend their global reach to a global talent pool, and capitalise on their combined expertise to maximise and capture research and other funding opportunities. They are focused on those countries and institutions which are most beneficial, with membership vetted on the basis of ability to contribute to the overall status or ranking of the group. Institutions outside these networks are finding themselves increasingly isolated from opportunities and funding.

## *Conclusion*

Recent developments suggest a profound paradigm shift in our support for and model of mass higher education.

- Reshaping of higher education systems with a focus on world-class university as panacea for success and economic recovery;
- Growing demand for higher education and support for institutional diversity at the same time many governments face declining budgets;
- Shift from higher education as human capital development to being arm of industrial policy;
- Increasing focus on recruitment of talent – domestic/international high achievers;
- Move towards greater government steering of HE and research system;
- QA increasingly government-driven rather than institutional-led;
- Shift to greater cost-sharing and using for-profit sector to absorb rising demand and drive efficiencies.

The European experience is not unique. Rather it presents plenty of opportunities for research, assessment, evaluation and sharing experiences and lessons – and their intended and unintended consequences.

## **References**

Chellaraj, G., K.E. Maskus and A. Mattoo (2005) “The Contribution of Skilled Immigration and International Graduate Students to U.S. Innovation”, *World Bank Policy Research Working Paper* 3588, Available at: <http://www->

[wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2005/05/15/000090341\\_20050515125129/Rendered/PDF/wps3588.pdf](http://wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2005/05/15/000090341_20050515125129/Rendered/PDF/wps3588.pdf) (Accessed 30 April 2010)

Europa (2011) "Supporting growth and jobs – an agenda for the modernisation of Europe's higher education systems". Communication from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions. Brussels

Europa (n.d.) *Horizon 2020*. Available at:

[http://ec.europa.eu/research/horizon2020/index\\_en.cfm?pg=h2020](http://ec.europa.eu/research/horizon2020/index_en.cfm?pg=h2020) (Accessed 25 March 2013)

Harman, G. (2011) "Competitors of Rankings: New Directions in Quality Assurance and Accountability". In Shin, J. C., Toutkoushian, R. K. and Teichler, U. (Eds.) *University Rankings. Theoretical Basis, Methodology and Impacts on Global Higher Education*. Dordrecht: Springer

Lisbon European Council (2000) "Presidency Conclusions". Available at:

[http://www.europarl.europa.eu/summits/lis1\\_en.htm](http://www.europarl.europa.eu/summits/lis1_en.htm) (Accessed 27 February 2013)

Maslen, G. (2013a) "Research Universities in global network", *The Age*, 22 March,

<http://www.theage.com.au/national/education/research-universities-in-global-network-20130322-2gkmk.html>

Maslen, G. (2013b) "Research universities to form global network", *World University News*, #264, 21 March, <http://www.universityworldnews.com/article.php?story=20130321080356646>

Massaro, V. (2013) "TEQSA and the holy grail of outcomes-based quality assessment", Forthcoming.

Obama, B. (2013) "State of the Union Address". Available at:

[http://www.nytimes.com/2013/02/13/us/politics/obamas-2013-state-of-the-union-address.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/02/13/us/politics/obamas-2013-state-of-the-union-address.html?pagewanted=all&_r=0) (Accessed 25 March 2013)

Redden, E. (2013) "The Internationalization Agenda". *Inside HigherEd.*, 21 March. Available at:

<http://www.insidehighered.com/news/2013/02/21/international-higher-education-administrators-discuss-future-field#ixzz2PEiYHwRc>

Ritzen, J. (2010) *A Chance for European Universities*. Amsterdam University Press, Amsterdam

Rüdiger, K. (2008) *Towards a Global Labour Market? Globalisation and the Knowledge Economy*. The Work Foundation, London. Available at:

[http://www.workfoundation.com/assets/docs/publications/30\\_globalisation.pdf](http://www.workfoundation.com/assets/docs/publications/30_globalisation.pdf) (Accessed 27 February 2013)

Varghese, N.V (2008) *Globalization of Higher Education and Cross-Border Student Mobility*, International Institute for Educational Planning, UNESCO, Paris