

The Future is More: Trends in Higher Education Across the EU and North America and the Implications for Institutional Governance

Alex Usher

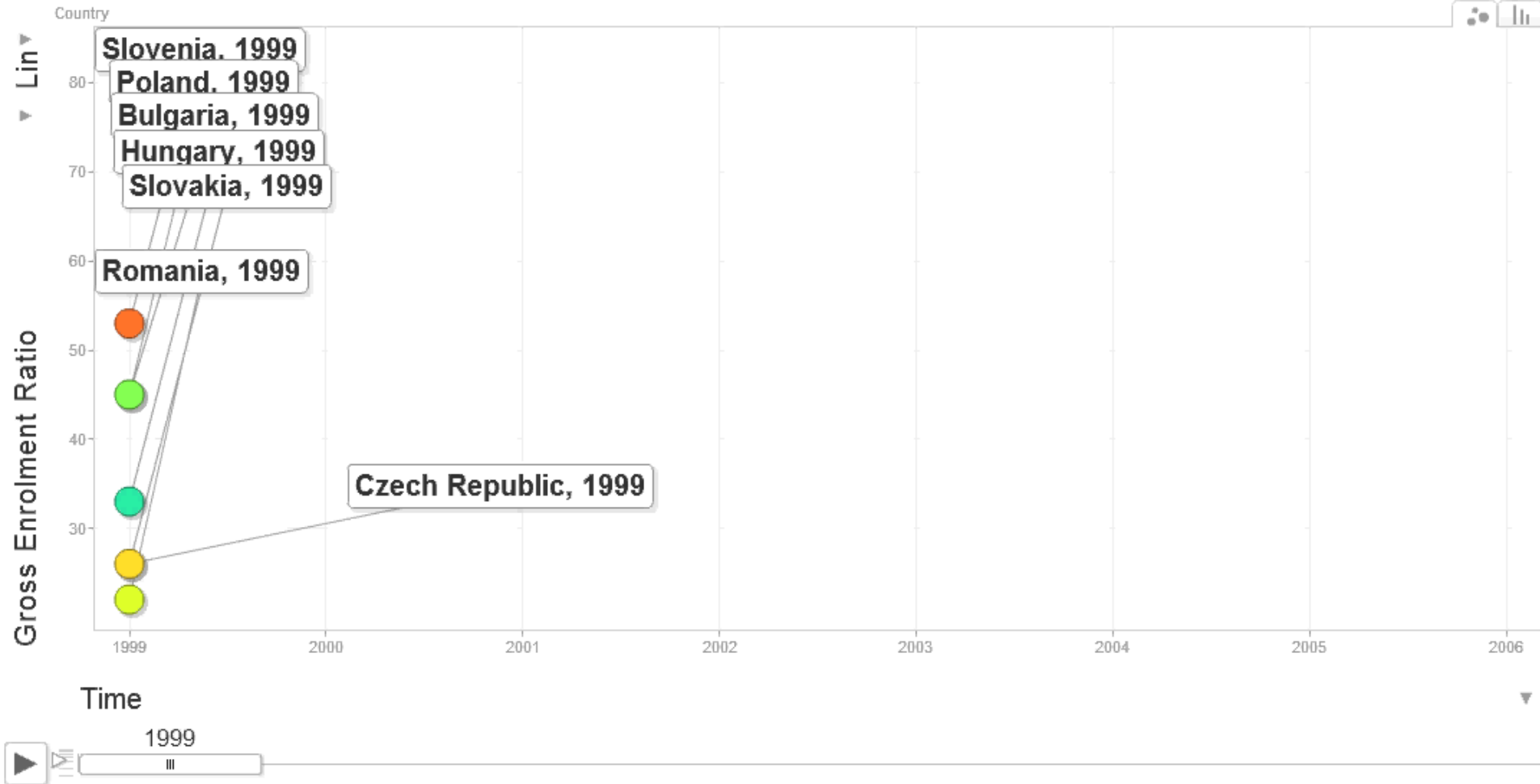
Educational Policy Institute



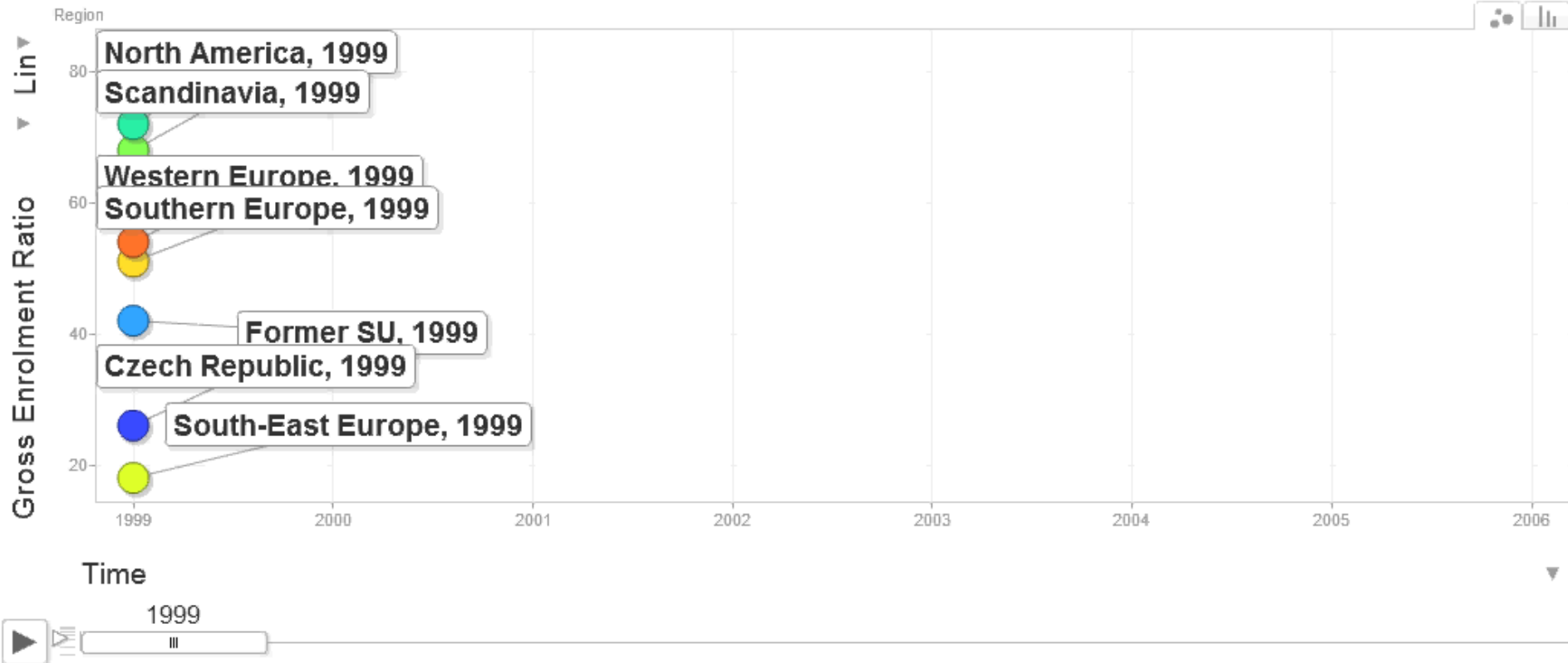
More Students

- Between 1999 and 2006, student numbers across EU and North America increased by 33%
- Increase in Czech Republic faster than average, but from a very low base and still trails EU average
- Increases driven by competition for white-collar jobs, desire for equitable access
- Increasing commodification of Bachelor's Degree will lead to greater pressure on graduate enrolment

More Students



More Students



More Students Means More Diversity

- Traditional universities are of interest only to a minority of secondary school graduates
- Across OECD, increasing participation has tended to mean providing new curricular or institutional offerings
- In particular, it has meant growth of private institutions, more technically-oriented institutions, and arrival of many smaller institutions to serve more remote geographic regions.



More Research

- Global academic norms and State economic interests are converging behind a more research-intensive system, and US-style research institutions
- In particular, onus is on institutions to develop Highly Qualified Personnel (HQP)
- HQP are the basic input of the modern economy; a new geo-politics is forming around them
- HQPs like working in particular types of institutions – universities have become tools of state, engaging in a “War for Erudition”

More Research Means More Autonomy

- Institutions frequented by HQPs are characterized by high degree of autonomy and freedom
- Institutional freedom, defined in terms of financial autonomy, freedom to design curriculum, freedom to research, and freedom to admit students, is rising.
- Broadly, across the EU there is a long-term trend to devolve managerial and financial authority to institutions.
- But this is a retreat from micro-management, not macro-management: governments continue to steer by objective and to demand accountability for public funds.



More Europe

- The logic of Bologna will continue to press institutions to focus on learning outcomes and helping students acquire specific competencies
- Shifting from a professor-centred *Lehrfreiheit* system to a system organized around specific learning outcomes implies a significant shift in the organization of academic departments.

All of This Costs Money



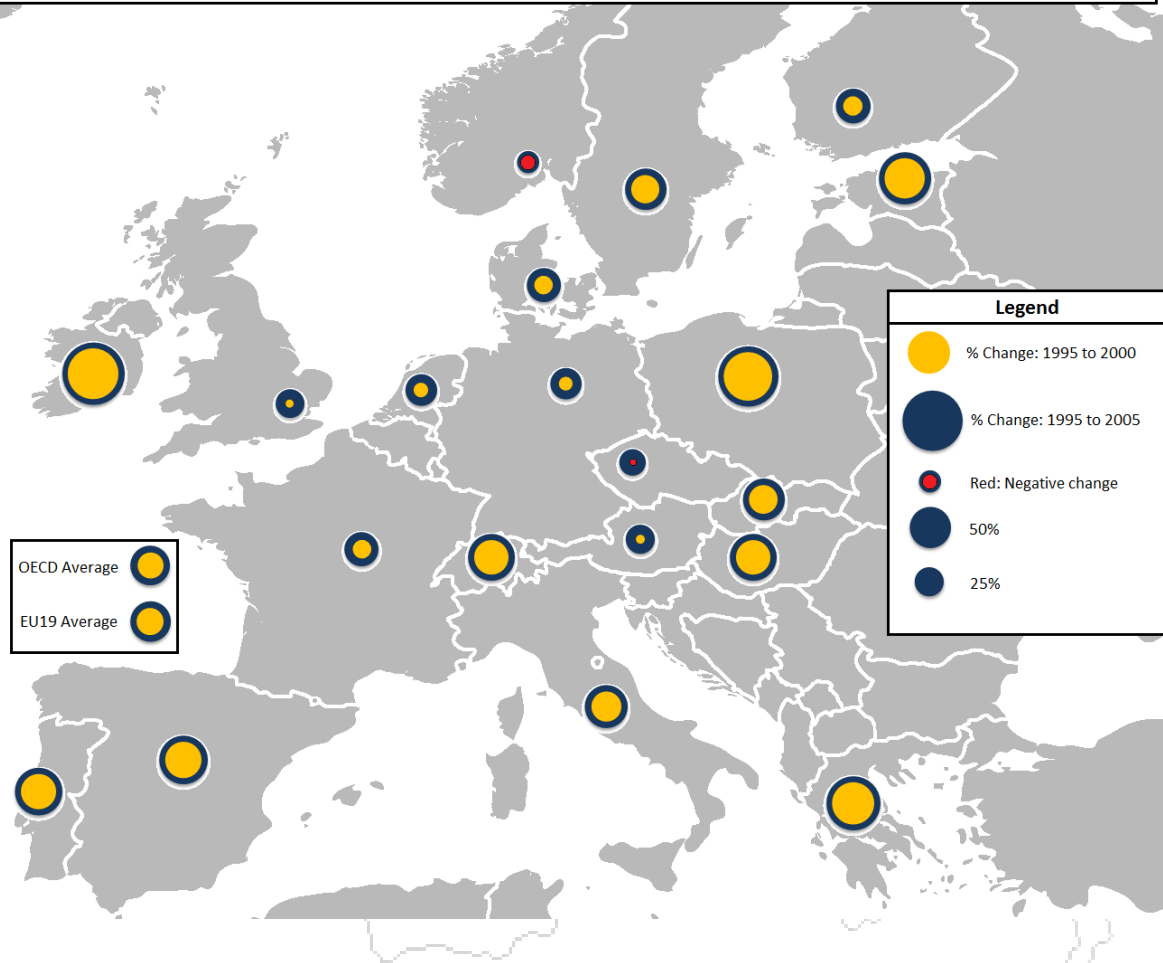


More Money?

- Public funding increased in Europe from mid-90s to mid-00s – in most countries on a per-student basis as well as an absolute one.
- Private funding – including both tuition and contract income - increased slightly faster than public funding.
- Still not enough because of increasing cost pressures

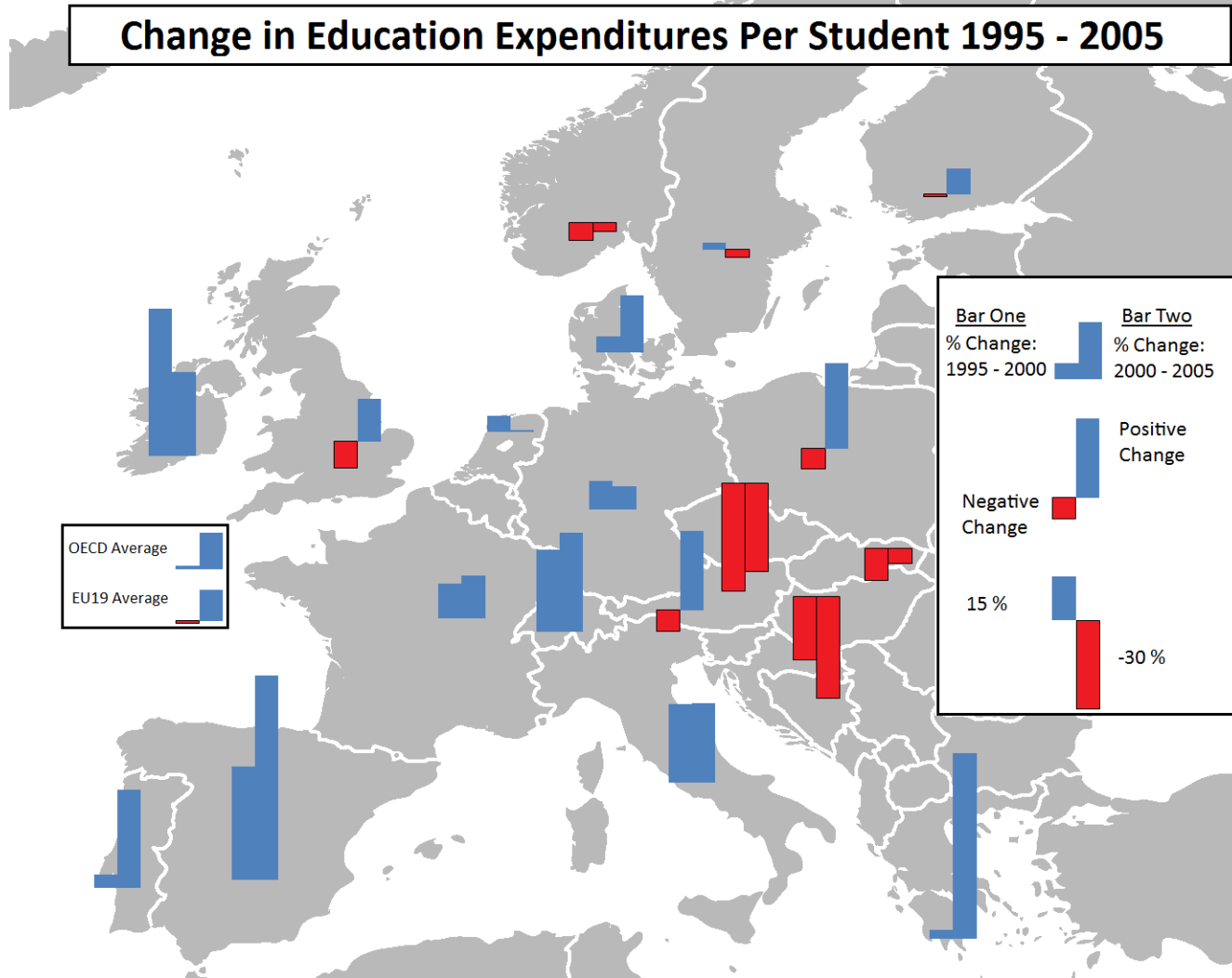
More Money

Change in Total Tertiary Education Expenditures 1995 - 2005



More Money

Change in Education Expenditures Per Student 1995 - 2005





The Future = More Competition

- Public funds jeopardized in short term because of financial crisis and the need for Governments to trim public spending in the face of high deficits.
- Public funds jeopardized in medium-term because of demographic shift and competition from other funding priorities. EU rates CZ among highest-risk countries for fiscal damage due to demographic change
- Lesson #1 of financial crisis: institutions need to diversify revenue sources!



A More Complicated World

- Governments continue to steer by objective and demand financial accountability.
- Increase in private-sector partnerships and philanthropic donations introduces new accountabilities, too.
- Students becoming more demanding in terms of service and outcomes.
- Demand for mobility increases need to co-ordinate at the system and European level.
- Overall, a much more complicated accountability eco-system.

More Cost Containment

- Money will be tight for the foreseeable future
- Higher Education subject to Baumol's Law ("the Mozart Problem")
- Need to re-arrange teaching, curricula and resources to focus on problem of productivity.
- The Sage on the Stage to the Guide on the Side has financial advantages as well as pedagogical ones.



The Management Implications

- The academic environment is becoming more complex and demanding
- Institutions need professional management to:
 - Maximize income
 - Manage funds
 - Account for expenditures
 - Assure learning outcomes
 - Manage stakeholder relations



The Governance Implications

- Governance needs to evolve alongside management in this more complex environment
- Form can vary but requires:
 - financial and fundraising expertise
 - participation from multiple stakeholders
 - a separation of financial and academic management processes