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Higher Education Institutions in the Middle of Economic, Social and Political Pressures

Dr. Martina Gaisch

University of Applied Sciences Upper Austria, Austria

Abstract

Around the world Higher Education Institutions (HEIs) have increasingly come under pressure due to conflicting ideology-driven agendas of governance. For one, the economy model puts focus on entrepreneurial innovation skills where autonomy from government has turned into a management tool with the aim to change universities increasingly in line with the needs of private enterprises. Second, the open society model which is driven by today's grand challenges and the conviction that societal needs can only be addressed in an interdisciplinary and democratic way and the assumption that society values objective knowledge grounded in communicative rationality as opposed to dogma and speculation. The third variation in governance ideologies is spurred by national agendas where HEIs are considered as a series of communities held together by a common name, governing board and similar objectives. Political purposes are foregrounded and funding is based on the expected outcome in terms of effectiveness and efficiency as to the achievement of these political directives. To effectively navigate these different rationales, university leaders will need to constantly identify potential institutional challenges and possess the willingness to adapt their agendas and earmark and invest resources in innovative and timely structures. In the middle of multiple and complex internal and external relations it becomes a vital asset to be aware of these conflicting rationales to best organize, plan and implement academic and managerial processes.

1 Introduction

In the myriad of today's complex world Higher Education Institutions are required to take on conflicting roles as civic, regional, national and global entities with differing orientations, priorities and outlines (Preymann et al, 2016). In this context, they often need to switch between a variety of identities –from providers of a humanistic education, scientific research or practice-oriented education to excellence initiatives to balance increasingly diverse stakeholder demands. Undoubtedly, universities have always been complex institutions, often with a long history, hidden agendas, implicit rules, tacit assumptions and different recurrent practices. Yet, over the last decades they have become even more complex entities that are exposed to a wide array of external pressures which makes administration, management and leadership inevitable components of academic life and hence has become an additional function to many academic roles (Coates & Goedegebuure, 2012). Differing missions that involve mass higher education, internationalization, marketization and global knowledge networks have also led to more fluid boundaries. Against this background, the tertiary level is confronted with demanding client expectations of an increasingly diverse student population, shrinking budgets and a higher competition between more and more entrepreneurial universities. The influence of corporate structures and processes and the influx of external funds from business and industry have dramatically transformed the university landscape of today (Pasque & Lechuga, 2016). In addition, demands for measurable outcomes and financial accountability have further spurred initiatives for quantified measurement of performance and output delivery.

In other words, over the past fifty years there has been an academic revolution at the tertiary level which has been truly unprecedented in terms of scope and diversity. This redesign of the university landscape is largely due to the challenges of massification, leading to more diversified higher education systems and new patterns of funding. It is further reinforced by the rapid transition towards a global knowledge economy where human capital has become the most critical factor of economic growth. In this environment, it appears only logical that today's institutions of higher learning find themselves in the middle of economic, social and political pressures.

2 Global Trends

Undoubtedly, there are a number of global trends that appear to influence post-secondary education around the world to a similar degree. The dramatic increase in enrollments, the requirements of the knowledge economy, digital transformations and globalization as a key reality in the 21 century have left their traces on all HEIs. This has substantial impact on teaching, learning and research, access policies, ranking and excellence debates, third mission activities, the global role of English as a lingua franca and much more. The expansion of higher education systems has resulted in wider participation and higher social mobility in all countries of the globe. Consequently, it has also led to a dynamic emergence of new players, more diverse profiles of institutions, programs, student populations and research focuses. The tension between economic, social and political pressures is also reflected in the three policy pillars put forward by the European Research Council. The dispersion of research funding is made visible through one pillar that addresses curiosity driven basic research, through a second one that funds solutions for the grand challenges and a third pillar that supports research in line with economic growth, job creation and innovation. To zoom in on the challenges involved, this paper seeks to shed light on the economic, social and political pressures that contemporary higher education institutions face. In doing so, it is sought to place a particular focus on recent developments and current trends in higher education of two geographical regions, namely Europe and Latin America.

2.1 Economic Pressures

Traditionally, activities in higher education have revolved around academic capital based on academic (rather than economic and/or political) criteria (Naidoo & Jamieson, 2005). Consequently, peer recognition, thriving for excellence, contribution to knowledge and the intellectual development of a mostly elite student body were considered most crucial. At the same time, the ideal of higher education has been intrinsically driven by values such as critical thinking, self-motivated and independent search for knowledge or serving the greater good. Understandably then that commercial interests have long been seen as a fundamental threat to Humboldtian university values where intellectual freedom, autonomous search for truth, and basic research were regarded as core priorities.

These values seem to be more and more overshadowed by what is referred to as an 'organizational shift' (Bertram, 2007, p 179) in which industry-university connections have become increasingly institutionalized, the academic structures rationalized and teaching and research criteria standardized. This has also given rise to the frequent use of what is referred to as the 'entrepreneurial university'. What Carry & Watt (1999) call 'corporate' or 'entrepreneurial' in relation to universities is their growing financial pressure, the design and delivery of university curricula in line with corporate needs and graduate employability, the alignment of scientific research in function of corporate demands and the growing assimilation of corporate culture by the academic community. What is more, due to their financial constraints and competitive pressure, institutions of higher learning are pushed outside their traditional arenas and need to increasingly seek additional funds and financial partnership with corporations.

In the midst of the massification trends of higher education, many governments seem to be unable to keep pace with the rapidly growing costs for higher education. Ways must be found to reduce staff, consolidate programs, find synergies while at the same time pave the scientific way for academics to generate innovative solutions to global challenges and educate students to become disciplinary experts with a large skillset of transversal competencies. Today's graduates need to possess both I- and T-shaped skills to perform well at the job market and to skillfully navigate the global knowledge economy with competencies that allow for interdisciplinary and inter-institutional border-crossing (Chydenius & Gaisch, 2016).

In other words, economy driven higher education systems focus on competition, market places and incentives that gradually weaken the public foundation of higher education (Maassen & Olsen, 2007). They also put forward an entrepreneurial spirit that foregrounds further growth of the state in an increasingly competitive environment with initiatives that allow for transfer and commercialization of innovative business ideas. In this regard, the entrepreneurial university is considered the driving force behind innovation, technology transfer and employability (Moreland, 2006; Fayolle & Redford, 2014).

2.2 Social Pressures

In addition to all these economy-driven rationales, higher education institutions are increasingly confronted with a moral imperative to make the world a better place. Universities around the globe are faced with numerous societal challenges, most of which are referred to as the 'grand challenges'. The United Nations (2015) summarized a global action plan with 17 sustainable development goals (SDGs) that should help to address these challenges by 2030. These SDGs are: No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Reduced Inequalities; Sustainable Cities and Communities; Responsible Consumption and Production; Climate Action; Life Below Water; Life on Land; Peace, Justice and Strong Institutions; and Partnerships for the Goals. There is no doubt that in order to reach these goals interdisciplinary, global, concerted and more democratic activities are required. This concertation and the ever-changing needs of the labor market are most likely to also shift the focus of higher education, leading to a redirection of emphasis towards more interdisciplinary, a sharper awareness for global issues towards a more collaborative university model.

Along these lines, Liburd (2013) argues that disciplinary and collaborative universities will develop into Universities 4.0 and further integrate with Industry 4.0. She states that Universities 4.0 will have to operate more closely in accordance with societal and labor market needs. In this context, the integration of new technologies and social communication networks and the capacity of mining mega data will take center stage.

These social pressures together with the perceived needs of the global knowledge society have gradually redefined the role of universities in such a way that they require to perform more and more 'third mission' activities, be they services to the community, consulting, collaboration agreements with industry or public and civic engagement. These transformations have paved the way to a considerable shift of knowledge norms, research frameworks and innovation systems within academia (Bertrams, 2007, p 179). It led to what is referred to as the 'open society' model (Schuetze & Casey, 2006, p 282, Maassen & Olsen, 2007) in which lifelong learning (LLL) is regarded as the most adequate learning system for multicultural nations. LLL is described as "a continuous, stimulating and supporting process, initiated in regular education, supporting needs, possibilities and experiences of persons, to develop their ability to acquire competencies necessary for personal development and

professional functioning in their own organisations and the rapidly changing society” (Lans et al, 2004, p. 77).

For post-secondary education the concept of LLL means that they have to prepare future graduates in ways that they can effectively operate in a dynamically evolving labor market but they should also draw their attention to global citizenship with an eye on cultural and interdisciplinary diversity, social justice, sustainability and corporate responsibility. Apart from providing individuals with a toolkit that allows them to react to and anticipate future developments, they should also offer with a variety of learning environments in line with emerging job requirements and societal needs.

Such an open society driven ideology places emphasis on equality, strong industrial foundations, the public foundation of higher education and stable and collective frames of higher education governance (Maassen & Olsen, 2007). Understandably then that democratization, social justice and participation are regarded as an appropriate instrument for the establishment of an open society where critical thinking and problem-solving abilities are regarded as a key value of education. In this vein, it is argued that claims of knowledge are subjected to the tests of free enquiry, as opposed to dogma and speculation.

2.3 Political Pressures

Beyond the previously discussed conflicting interests and resulting tensions there is a further set of complex global and domestic political pressures that reside in the higher education system. The emergence of new public management and managerialism led to increased political control exerted on institutions of higher learning (Amaral, 2009; Locke et al, 2011; Carvalho and Santiago 2016). Today, it seems that around the globe the era of marketization has become the guiding principle for the entrepreneurial university. A managerial turn and the rhetoric of the market appear to have taken hold of almost all institutions and the politically steered access policies resulting in the admission of large numbers of students seem to have become a prerequisite for economic growth. Undoubtedly, political interests are closely tied to educational specialties of local circumstances, be it by placing a heavy focus on vocationally oriented education and graduate employability or by stressing the social dimension or excellence initiatives (Gaisch & Aichinger, 2018).

Hence, political pressures have led to a variety of measures that impact higher education substantially. This translates in the privatization of national universities, consolidation and synergies, budgetary restrictions and financial rationalizations but also in the establishment of numerous new (mostly private) players. In many regions around the world it is also a political imperative to increasingly regulate curriculum development, learning outcomes, pedagogical innovation, internationalization policies, research quality and knowledge transfer. These interventions have partly resulted in the standardization of work practices, increased performance targets, accountability and more political control, especially in terms of budget allocation. In this vein, it is argued that performance-based and competitive funding has the potential to spur innovation and interdisciplinary cooperation (Salmi & Hauptman, 2015). Yet, it was found that explicit policies tend to increasingly differentiate financing between elite and non-elite institutions (Carnoy et al, 2014). This may be partly due to the fact that research-based elite universities serve the state’s domestic legitimacy. For one, such institutions appear to largely contribute to economic growth. Further their status, reputation and cutting-edge scientific research may also help to legitimize the state as a national power.

On a critical note, it may be argued that some policy-makers may not take the specificities within each national context sufficiently into account and hence bring forward performance funding policies that may be inappropriate or even ineffective. This may threaten student success, learning outcomes, but also insulate allocation decisions and encourage desired institutional behavior.

Expanding massification at any price may also lead to low quality institutions that educate graduates that do not possess the necessary skillset for the global knowledge society. This may lead to a general dissatisfaction of the labor market as to the quality of urgently needed skilled workers.

Another critical issue is the increasingly differentiated system of private higher education institutions around the world that is often placed in the hands of private owners, mostly coupled with private interests (Carnoy et al 2014). This poses a particular dilemma because either these private players opt for an elite education with high tuition fees that naturally exclude non-traditional students from disadvantages backgrounds or for a mass education which is mostly offered to lower income students at lower tuition fees but also lower quality standards.

In the following, it is sought to zoom in on the major trends in higher education in both Europe and Latin America.

3 The European higher education landscape

The higher education landscape in Europe is by far the most diversified higher education system in the world while at the same time being the most integrated one. This holds especially true due to the Bologna Process, the numerous Erasmus initiatives and framework programs such as Horizon 2020. What appears to be one of the greatest challenges for the European Higher Education Area is to fully integrate this diversity of over-regulated systems. While some of the higher education systems have been reformed and count among the most prestigious universities of the world, others are deeply rooted, conservative and unreformed, while others again are younger and at a much less advanced level of maturity (Larsen, 2006, p 141).

It was found that over the last twenty years, the European higher education has had a number of paradoxical developments (Maassen & Stenstaker, 2011). For one, the political rhetoric of knowledge economy has been intensified, leaving no doubt that educated human capital is a major asset for national economies and an essential enabler for economic growth. This has further spurred the efforts to stimulate massification of higher education and to achieve greater social mobility. Also, under the pressure of widening participation, a shift from a purely academic orientation towards enhanced employability has taken place. At the same time, the massification phenomenon carries the danger of declining academic standards (Larsen, 2006).

On the other hand, HEIs have increasingly been regarded as transversal problem-solvers (Goastellec & Picard, 2014, p 45) that are capable of tackling the grand challenges of today. Higher education is expected to offer suitable solutions for issues around global warming, tightening supplies of energy, water and food, ageing societies and demographic changes, public health and pandemics or security. There is common understanding that in order to address today's grand challenges, Europe requires a clear political commitment to align strategies and stakeholders through excellent science collaboration around the world and by focusing on open innovation.

In addition, in the late 1990s Europe has become particularly concerned with its innovative capacity, economic and scientific competitiveness which led to a growing Europeanization phenomenon. In this context, the rise of higher education was seen as an integral part of Europe's strengthened efforts in terms of economic competitiveness and policy convergence where a more inter-governmental policy coordination, especially in the frame of the Bologna process, was foregrounded. This convergence trend has resulted in the modularization of European curricula which seems to be threatening the acquisition of deep competences within a specific discipline (Larsen, 2006). Further, Jungblut (2014) witnessed that European higher education has gradually shifted from being an instrument of the welfare state to one of innovation and economic growth. This is reinforced by

observations of Reihlen & Wenzlaff (2016) according to which most European institutions of higher learning operate today along the lines of a dominant entrepreneurial and managerial logic.

4 The Latin American higher education landscape

The current trends found to be most dominant in the Latin American higher education landscape are massification, privatization, diversification and accreditation (Peralta & Pacheco, 2014).

Unsurprisingly then that the contemporary education agenda has addressed a number of policies that promote increased access, reduction of tuition fees, regulation of the trend toward privatization and diversification to diminish the role of private providers and to introduce accreditation standards.

Historically, Latin American universities were reserved for a small privileged elite and the numbers of enrollment were traditionally low (Bernheim, 1991). Following the Cordoba reforms of 1918 numerous initiatives were taken to increase access, academic freedom and scientific research (Arozena & Sutz, 2005). This also spurred the trend towards privatization and Latin American policy makers started in the 1980s to substantially transform the university sector and encourage more efficient and financially autonomous institutions (Jones, 2007; Johnstone et al, 1998). This led to a change of the ownership of universities and the financing of higher education was shifted significantly from the state to the private hand (Peralta & Percheco, 2014).

And whilst participation has gradually widened, higher education enrolment rate is still less than half that of high income countries (Altbach et al, 2009, p 9). Consequently, the most significant growth in numbers was observed in the private sector. While Latin America already achieved an enrolment rate of about 35% in the early 1980s (Levy, 1986), it has - certainly with variations between countries - become the region with the highest presence of private higher education providers with a student enrolment of nearly 50% (Brunner & Ferrada Hurtado, 2011; Altbach et al, 2009).

It is not surprising that like everywhere else, also in Latin America entirely new types of non-university institutions and higher education providers (professional institutes, centers of technical training and other entities) made their appearance. What seems to be more typical of this region, was their constant growth, often at a faster pace than the system as a whole (Castro & Navarro, 2017). The outcome was a very strong diversification of higher education systems. In post-secondary education, also programs awarding degrees different to bachelor degrees started to emerge in line with massification trends. New (mostly private) institutions opened their doors and started to teach short-cycle programs which are framed to be part of an increasingly general trend. This is certainly related to institutional diversification, with the emergence of institutions offering only this type of degree (Orellana, 2014).

Conversely, this means that most countries in Latin America have kept the public sector small, elite and selective where cost represents a major barrier to access. The same holds true for research, most of it is undertaken in separate institutions or concentrated in a few elite (mostly always public) universities.

Thus, despite or precisely because of the diversification of institutions, Latin America has a lack of accreditation bodies. Across the continent there are no standardized accreditation practices but attempts to build – with different levels of solidity - systems of accreditation and quality assurance that allow for coordinated management of heterogeneous institutions (Orellana, 2014). Here again, the realities of different national contexts and the mechanisms involved have to be taken into account. Standards and norms are partly framed in newly established accreditation bodies with the aim to evaluate providers and assess their academic quality in line with compliance and transparency. There is general agreement that established accreditation regimes have the potential to institutionalize permanent procedures for quality assurance for HEIs and improve internal

processes. At the same time, international accreditation agencies (e.g. RIACES) have flourished over recent years. This Iberoamerican Network of Higher Education works closely with European agencies and follows the same orientations (Leite, 2010, p 229).

5 Conclusion

Globally, higher education institutions find themselves in the middle of academic, economic, social and political pressures. For one, they need to comply with prevailing educational standards and norms. They also need to navigate often conflicting interests of corporations and societal needs. In addition, the nature of higher education is largely shaped through the socio-political prism of each nation.

Despite varying missions and strategic outlooks, higher education systems need to address a common set of environmental issues and tackle today's grand challenges in concerted action. Most importantly, though, they will need to find their individual institutional legitimacy in an ever-changing environment.

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