



PUBLIC RESPONSIBILITY FOR HIGHER
EDUCATION AND RESEARCH
AND
OF HIGHER EDUCATION INSTITUTIONS

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- n Part II: Public responsibility **of** Higher education and research

An aerial photograph of a vast, snow-covered mountain range. The terrain is rugged with deep valleys and sharp peaks. In the lower right quadrant, a small, two-story red cabin with a dark roof stands on a flat patch of snow. The overall scene is bright and wintry, with soft shadows cast across the snow.

**PART I:
THE PUBLIC RESPONSIBILTIIY
FOR HE&R**

RIGHT TO EDUCATION + LEGAL OBLIGATION + PUBLIC RESPONSIBILITY

- n **Right:** UN Universal Declaration of Human Rights (dec. 1948)
 - n **Article 26:** *Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.*
- n **Legal obligation:** for certain age-groups
- n **Public responsibility:** duty to provide education for all at basic level (the interpretation of « basic level » has been expanding)

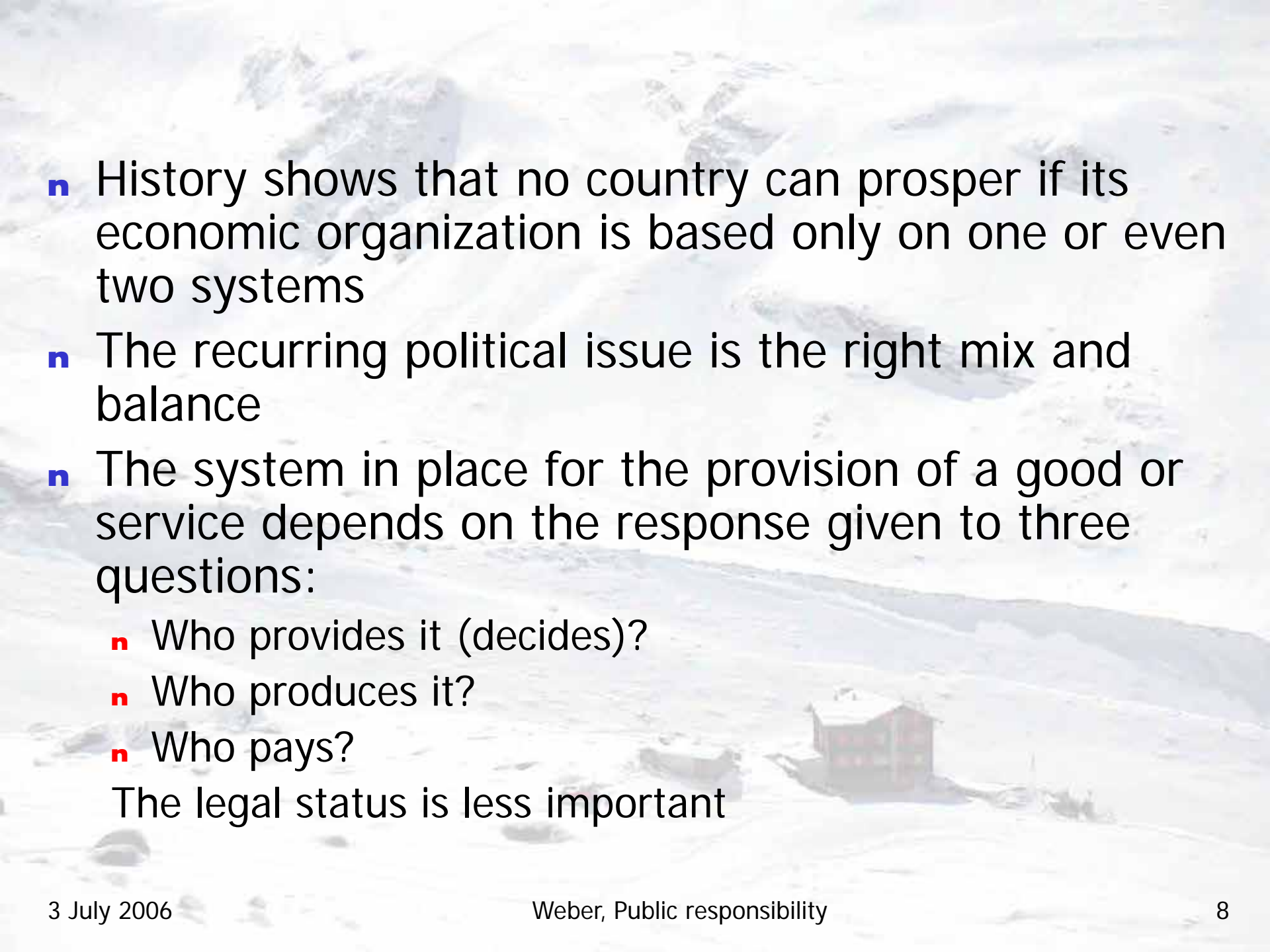
WHY A PUBLIC RESPONSIBILITY FOR HE&R?

- n Situation is less clear for HE&R (although if the concept of public HE is very strong in Europe)
- n The question is not only theoretical, but of increasing practical importance for the effectiveness of HE&R! Why?
 - n **First:** strong political statement of the ministers of education (Bologna process)
 - n Implicit in Bologna Declaration of 19 June 1999
 - n Prague communiqué of 19 May 2001: *"They (ministers) supported the idea that higher education should be considered a public good and is and will remain a public responsibility (regulations etc.),"*
 - n Berlin Communiqué of 19 Sept. 2003: *"I..... Ministers reaffirm their position that higher education is a public good and a public responsibility."*

- n **Second:** it is crucial to define correctly the nature and scope of the Public responsibility for HE&R: otherwise, the political good intention could act counterproductively
 - n **Threat:** HE *“should be considered as a public good.....”*. The sense given to “public good” is crucial! Moreover, one can hear from time to time that HE is a “human right” or a “democratic right”
- n Focus on HE **&R:** Bologna process covers doctorate studies + the problematic of R and HE are rather similar

THE ROLE AND POLICY INSTRUMENTS OF THE PUBLIC SECTOR

- n Economic decisions
 - n Choice of goods and services produced and consumed
 - n Organization of production
 - n Sharing of wealth among individuals and regions
- n Three possible systems
 - n Competitive markets
 - n Public sector (political process)
 - n Non profit organizations serving collective needs

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- n History shows that no country can prosper if its economic organization is based only on one or even two systems
 - n The recurring political issue is the right mix and balance
 - n The system in place for the provision of a good or service depends on the response given to three questions:
 - n Who provides it (decides)?
 - n Who produces it?
 - n Who pays?
- The legal status is less important

- n The three systems are theoretically possible for education and HE&R:
 - n State: traditional public universities
 - n Market process: private **for**-profit universities
 - n Private **non**-profit institutions
- n However, extreme solutions are rare:
 - n Public universities benefit increasingly from private funds
 - n Public funds are increasingly allocated according to “private-like formulae”
 - n Many universities are independent from the State for their governance, the status of their staff...
 - n In the USA, private universities receive a lot of research money from the public sector
 - n Even in the extreme case of private for-profit institutions, most thinkers recognize that they should be **regulated** by the public authorities



n The lessons:

- n in theory, various organizations are possible in-between two extremes:
 - n Fully public
 - n Fully private
- n in reality:
 - n Majority are mainly public (in Europe)
 - n Most of the remaining institutions belong to the voluntary non-profit sector
 - n Growing number are for-profit organizations
- n In conclusion, the nature of HE&R does not create constraints which would make some solutions impossible

JUSTIFICATION OF PR FOR HE&R

- n Why have the ministers affirmed that HE is a PR?
 - n Political argument based on ideology or beliefs?
 - n Hidden interest to increase the size of the public sector?
- n No, most if not all arguments in favor of a PR for HE&R are well established and accepted
- n However, the fast changing environment and the political realities and priorities of today are changing the relative importance of some of them



- n The changing environment

- n **General factors of change**

- n Globalization and emergence of gigantic economic powers
 - n Exponential growth of knowledge (the frequency of revolutionary impacts is increasing)
 - n Move into a post-industrial knowledge-based society: the creation of wealth depends upon advanced education, research and innovation (the closer to the “technology frontier”, the more profitable it is to invest into knowledge); Knowledge has become a factor of survival for “old” countries

n Factors of change in Europe

- n EHEA (Bologna process)
- n ERA
 - n Framework programs
 - n Lisbon Agenda, 3% initiative
 - n ERC, EIT?

n Other factors of change **specific to HE&R**


- n Still increasing participation rate of traditional students
- n Increasing diversity of demands on HE institutions
- n Necessity to develop life long learning
- n Increasing cost of research and teaching
- n Arrival of new providers, increasing differentiation between different types of institutions
- n Overstretched public finance

n Consequences for HE&R: Increasing competition and necessity to cooperate



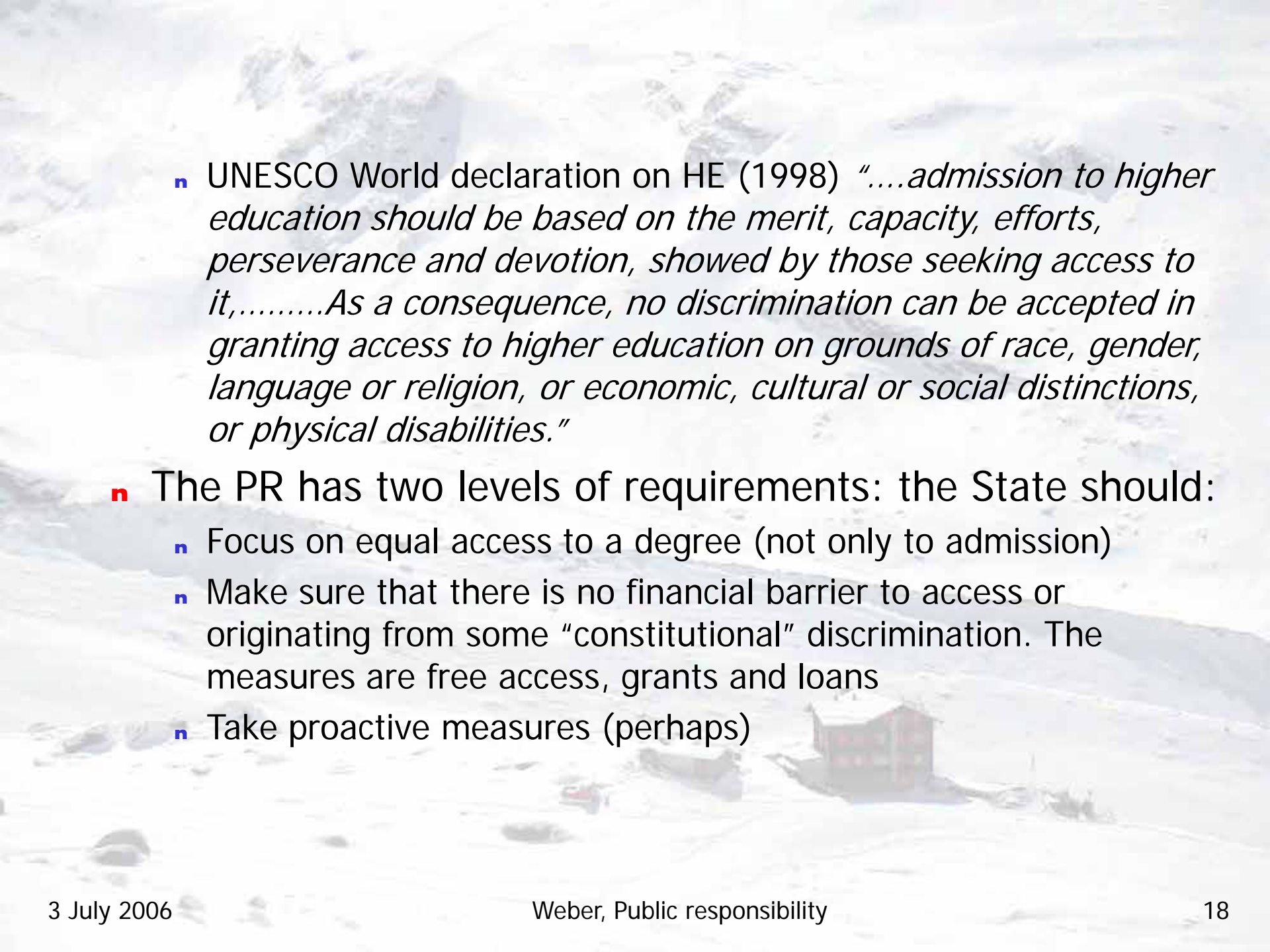
- n Secure a high level of HE&R

- n HE is a private investment with high return: higher salary, more interesting jobs, lower risk of unemployment, richer extra-professional life
- n HE is a collective investment with high return :
 - n knowledge is becoming a production factor as important as labor and capital all the more the economy is near to the technology frontier
 - n A high level of education and HE is improving the cultural level of a society as well as its functioning, thanks to improved values like tolerance and respect of others and to a more rational approach to problems; however, not a sufficient condition for a democratic and sustainable society

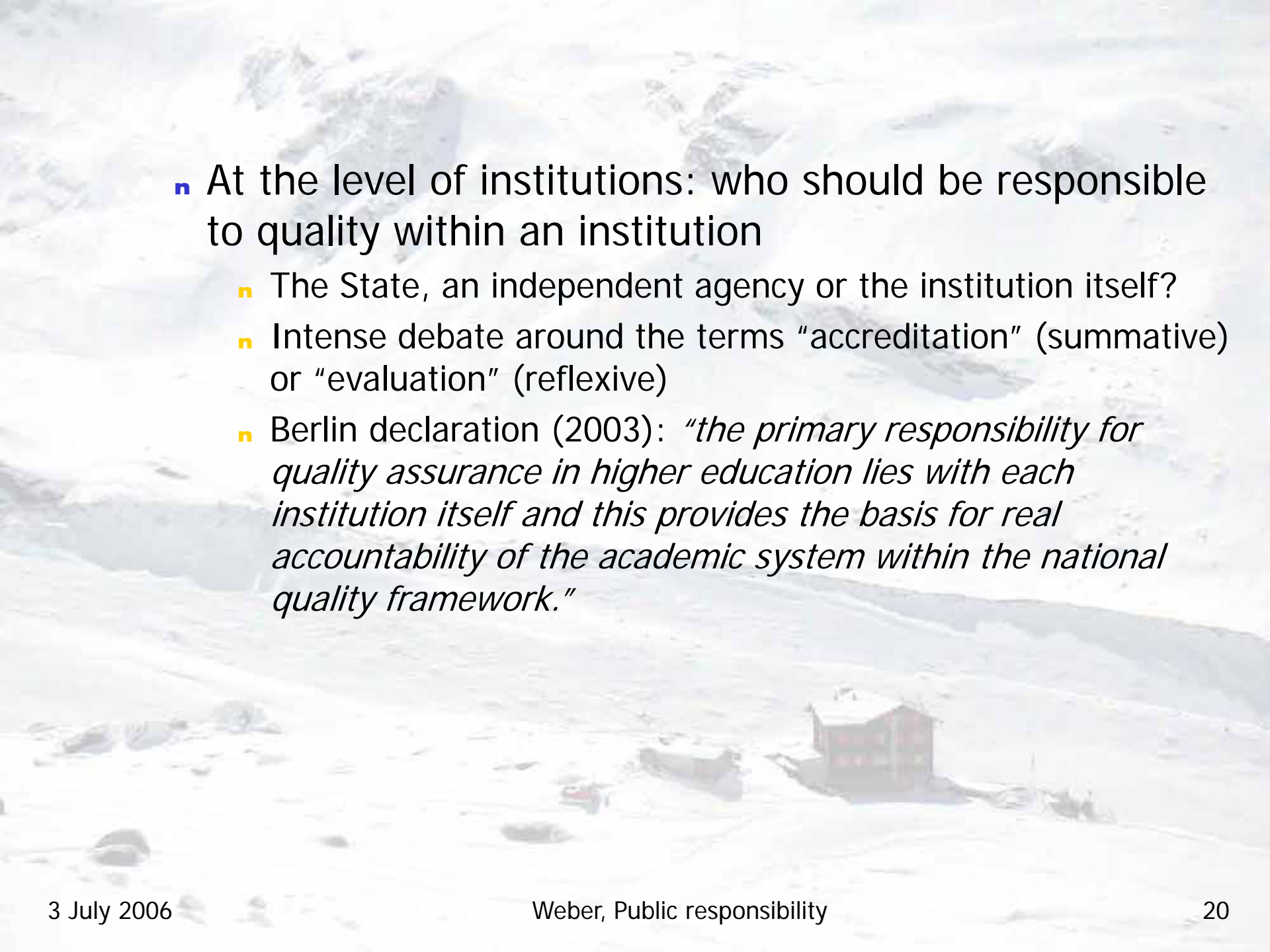
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- n If markets for HE&R functioned perfectly, equilibrium between D and S would correspond to an optimal solution; however, this market is not perfect:
 - n External economies in HE
 - n In Research
 - n From curiosity driven research
 - n to development
 - n Failing information

- n These two market failures justify the intervention of the State
 - n Public funding
 - n Funding the supply of higher education = supply at low or zero price (number of participants is greater than if they had to pay market prices)
 - n Subsidizing students with grants and loans
 - n Funding of research (higher return than support to obsolete sectors of economy)
 - n Public influence: correct the decisions made on the basis of insufficient or erroneous information
 - n Act indirectly on demand by decreasing the price
 - n Act directly on demand with encouragement policies

- n Secure a fair distribution of HE opportunities
 - n The lack of information (or erroneous information) is not distributed equally among different groups of society.
 - n The less educated (also the less well off) are more likely to miss the advantage of HE
 - n Despite the efforts made, the proportion of people to HE institutions is much smaller in low-income families or families living in poorer regions. There is a strong correlation between the education level of the parents and their children
 - n According to democratic values by which every citizen should have an equal position within society, this is a PR to make sure that HE is open to everyone on an equal basis, provided they have the merit; in other words that there is no barrier to access, financial or others

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- n UNESCO World declaration on HE (1998) *"....admission to higher education should be based on the merit, capacity, efforts, perseverance and devotion, showed by those seeking access to it,.....As a consequence, no discrimination can be accepted in granting access to higher education on grounds of race, gender, language or religion, or economic, cultural or social distinctions, or physical disabilities."*
 - n The PR has two levels of requirements: the State should:
 - n Focus on equal access to a degree (not only to admission)
 - n Make sure that there is no financial barrier to access or originating from some "constitutional" discrimination. The measures are free access, grants and loans
 - n Take proactive measures (perhaps)

- n Secure a quality higher education an research sector
 - n The question of quality is gaining in importance (two reasons)
 - n Increasing struggle for state funds requires to be efficient, transparent and accountable
 - n Increasing competition within the sector (among others the creation of private institutions)
 - n Both the public sector and the HE system are concerned
 - n Public sector: regulation (next to provision, production and financing)
 - n Secure that a few minimum standard are satisfied (licensing, certification, accreditation)
 - n Quality is not easy to define and the cost of regulation is increasing rapidly; therefore the State should not be too ambitious

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- n At the level of institutions: who should be responsible to quality within an institution
 - n The State, an independent agency or the institution itself?
 - n Intense debate around the terms “accreditation” (summative) or “evaluation” (reflexive)
 - n Berlin declaration (2003): *“the primary responsibility for quality assurance in higher education lies with each institution itself and this provides the basis for real accountability of the academic system within the national quality framework.”*

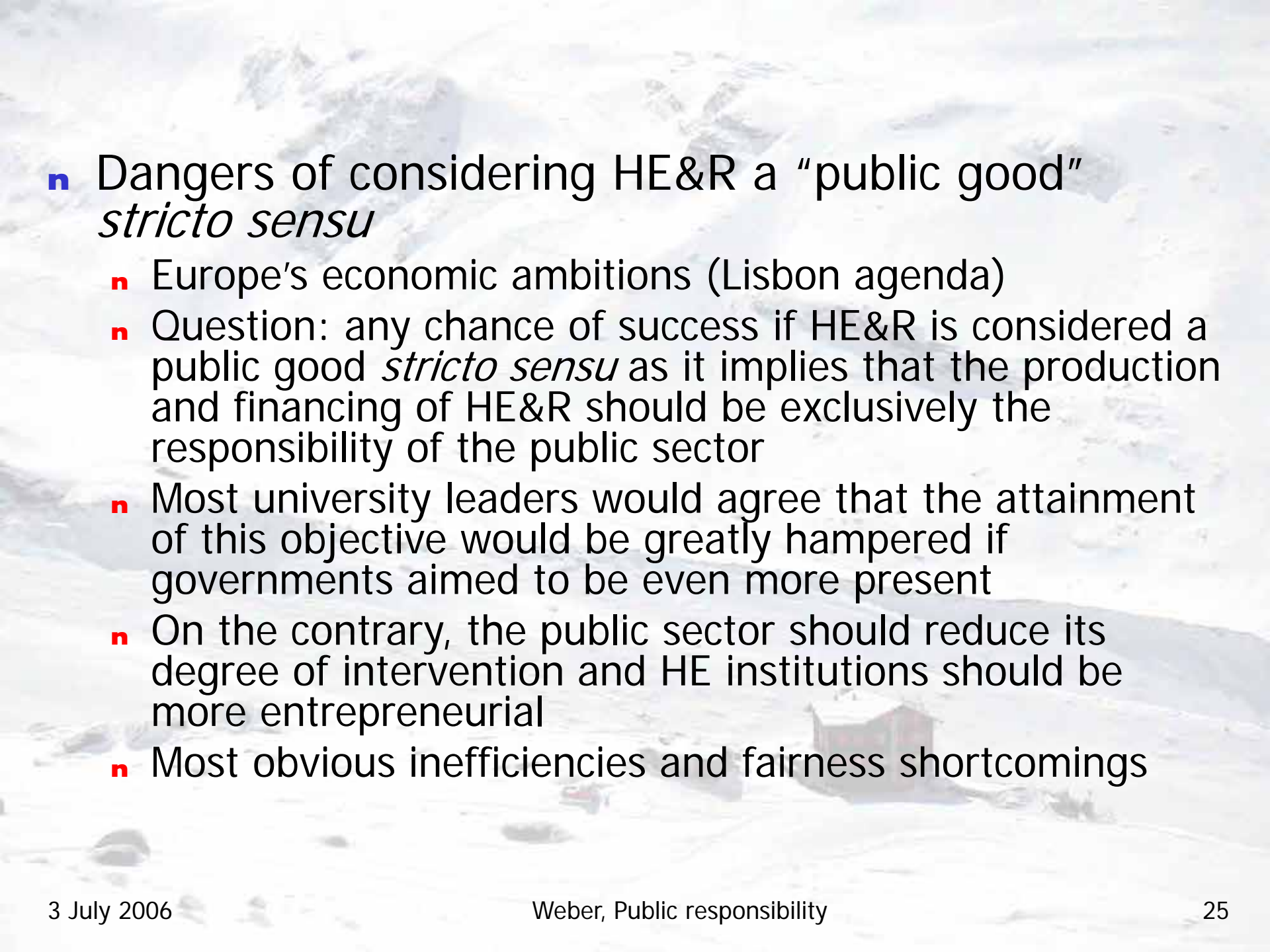
- n The importance of the constitutional and legislative framework
 - n HE&R is a peculiar type of service: aims at producing new knowledge and transmit it
 - n Universities are best placed to work at the frontier of knowledge; this is why it has been recognized that universities should be autonomous
 - n see Magna Charta Universitatum, (1998): *"The university is an autonomous institution at the heart of societies; it produces, examines, appraises and hands down culture by research and teaching."*
 - n communication of DGEAC (May 10, 2006)
 - n Definition of autonomy
 - n Implications of autonomy (autonomy is a necessary, but not sufficient condition for excellence!)

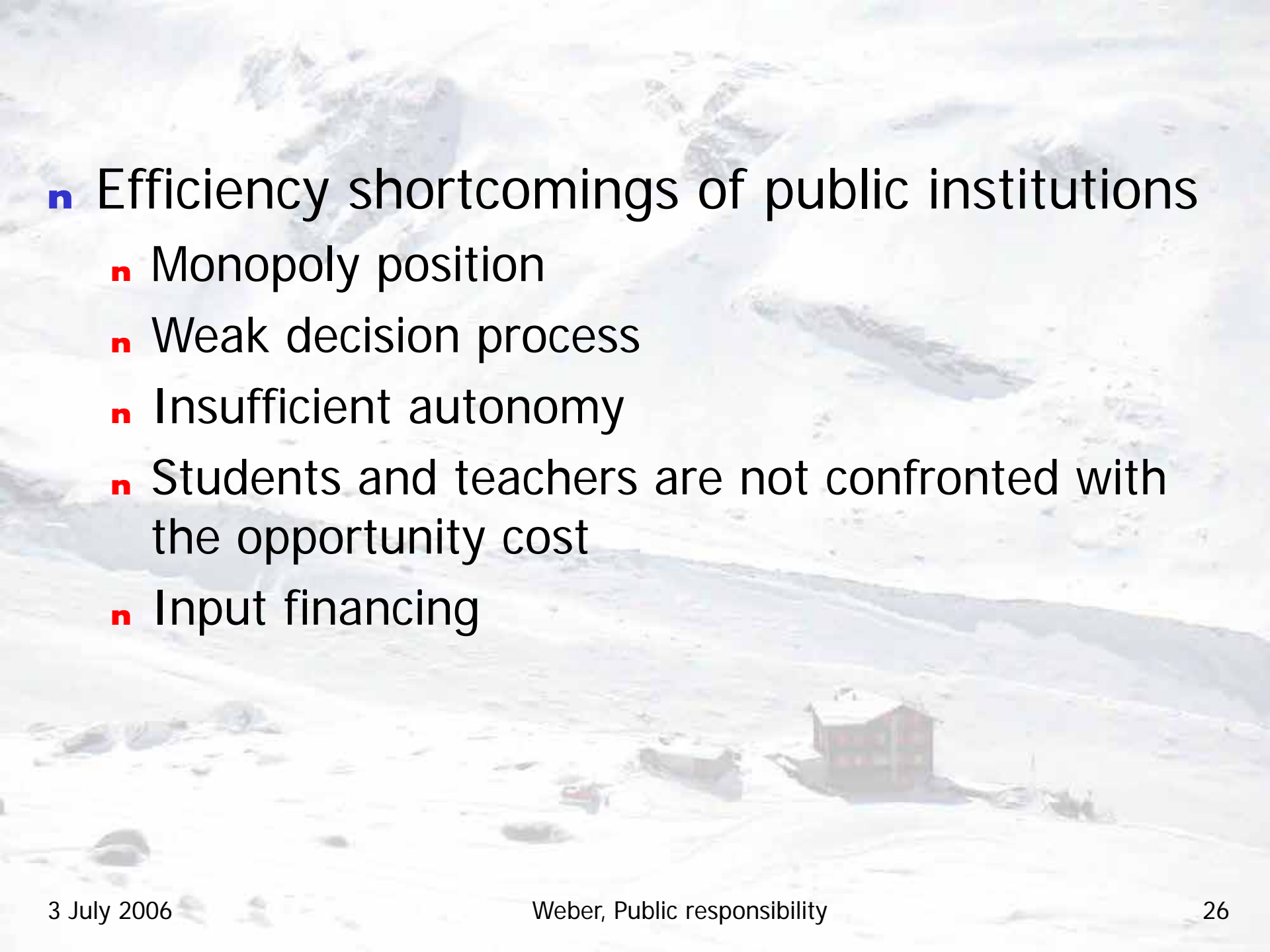
LIMITS TO THE PR FOR HE

- n The case of the PR for HE&R is strong!
 - n Does it mean that there is no limit to State involvement?
 - n Does it mean that HE&R is a “public good *stricto sensu*”

- n Are HE&R a “public good” stricto sensu?
- n Acceptable if loose definition with the sole purpose of reinforcing the expression “public responsibility”
- n Danger if ministers have in mind that HE&R is a specific type of good called a “public good”
 - n For economists, public goods are non-rival and non-excludable; consequence: they cannot be provided and financed by private organizations. HE&R are neither a pure private good, nor a pure public good
 - n In terms of public administration, affirming that HE is a “public good” is a value judgment that states that this service must be furnished by the public sector, in principle at no charge to the users (*service public*)

- n Moreover, there are not only market failures, but also public shortcomings (public decisions are also inefficient and do not necessarily satisfy the collective needs; therefore, there is no justification to prefer them a priori to market decisions)
- n The statement that HE is a “human right” or a “democratic right” must be qualified
 - n The objective of equal opportunity is restricted on the basis of merit (implies selection at the entrance); otherwise, the good students would be discriminated
 - n Without any doubt, individual human rights must be promoted, however these notions should not be used *stricto sensu* in the domain of HE where the aptitudes and motivations to study differ from one individual to the other

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- n Dangers of considering HE&R a “public good”
stricto sensu
 - n Europe’s economic ambitions (Lisbon agenda)
 - n Question: any chance of success if HE&R is considered a public good *stricto sensu* as it implies that the production and financing of HE&R should be exclusively the responsibility of the public sector
 - n Most university leaders would agree that the attainment of this objective would be greatly hampered if governments aimed to be even more present
 - n On the contrary, the public sector should reduce its degree of intervention and HE institutions should be more entrepreneurial
 - n Most obvious inefficiencies and fairness shortcomings

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- n Efficiency shortcomings of public institutions
 - n Monopoly position
 - n Weak decision process
 - n Insufficient autonomy
 - n Students and teachers are not confronted with the opportunity cost
 - n Input financing

- n Fairness shortcomings of public institutions
 - n Objective: no barrier to access
 - n Question: does it imply free access?
 - n A fact: there is a confusion between:
 - n The objective
 - n The means
 - n This confusion has consequences: the system works regressively (the problem disappears if a larger proportion of an age cohort has access)
 - n Solution: charge for HE (and develop a system of grants and loans)

An aerial photograph of a vast, snow-covered mountain range. The terrain is rugged with deep valleys and sharp peaks. In the lower right quadrant, a small, two-story red building with a dark roof stands out against the white snow. The overall scene is desolate and high-altitude.

PART II
THE PUBLIC RESPONSIBILITY OF
HE&R INSTITUTIONS

RESPONSIVE AND RESPONSIBLE UNIVERSITIES

- n Responsive universities
- n Responsible universities

IMPACT OF THE CHANGING ENVIRONMENT ON UNIVERSITIES

- n The increasingly competitive university environment
- n The increasing financial dependence and decreasing intellectual autonomy

RESPONSIBLE UNIVERSITIES

- n Increased need for universities to be a critical observers of society
- n Increasing need for universities to transmit societal values as democracy, rules of law, human rights and sustainable development

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