

CHAPTER

Universities' Responsiveness and Responsibilities in an Age of Heightened Competition

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INTRODUCTION

It has become a banality to affirm that the world is changing at an increasingly rapid pace and that this affects the environment of all social, economic and political activities. Although perhaps less visibly, this evolution concerns also education, and in particular, the higher education sector and its institutions (Weber, 1999). However, the implications for the missions and the governance of higher education institutions, and in particular of research-intensive universities, as well as for national and even regional policies, differ significantly from those of other organizations, in particular business firms. If, in order to survive, firms have practically no alternative other than to be responsive to the changing environment, research-intensive universities should not only be *responsive*, but also *responsible* towards the community they serve, that is, they should protect the long term interests of society. Although they converge in the long run, these two sides of universities' missions can well be contradictory in the short run. Obviously, a period of rapid change, as we experience now, creates a growing tension between the necessities to be *responsive* in the short run and *responsible* in the long run. Whereas universities can often be blamed for being too conservative or even neglectful, in other words not responsive enough to the changing environment, they may also, under pressure, make decisions without paying due attention to their long term responsibilities.

This paper has two aims: first, to show why research-intensive universities have to be *responsive* to their rapidly changing environment, but also assure a

long term *responsibility* towards society; second, to examine how the main characteristics of the changing environment are increasing the tensions between *responsiveness* and *responsibility*, making it more difficult than before to govern a university and to design a national or a regional policy. Without a clear understanding of the mechanisms of change, as well as of the missions of a university, it is hardly possible to identify what the correct attitude and policy should be.

Responsive and responsible universities

Whatever the nature and rhythm of change, there is a duality in the missions of universities. It is useful to consider the challenges in terms of two concepts: *responsiveness* and *responsibility* (Grin, Harayama & Weber, 2000).

On the one hand, universities are expected to be *responsive* to short-term needs of the private economy, the State and their main stakeholder, the students. This means that universities should respond to what society demands at any one time. This influence is in general positive: universities cannot pretend that they are the only institutions with knowledge and offer only what they like; they should pay careful attention to the aspirations and needs of their students, the economy and the public sector. Today, these pertain in particular to:

- rising enrollments, which is still the situation in many countries,
- safeguarding equality of access and encouraging the enrolment of underrepresented groups,
- maintaining the “purchase” price of education as low as possible,
- diversifying course contents and increasing the range of courses offered,
- guaranteeing efficient and transparent operations,
- all this while, of course, ensuring relevance and quality in teaching and research.

In addition, universities are expected to fulfill an ever-expanding list of missions that have less to do with teaching and research, and more to do with the provision of fundamental aspects of quality of life and general education. Meeting these multi-faceted demands is the “responsiveness” side of the role of universities. Universities should take these needs or requests very seriously as they are legitimate public demands (Glion Declaration, 1998).

On the other hand, while *responding* to society’s needs and demands, universities have also to assume a crucial *responsibility* towards society. Universities are one of the oldest surviving institutions, clearly older than modern States. Moreover, they remain practically the only institution able to secure and transmit the cultural heritage of a society, to create new knowledge and

to have the professional competences and the right status to analyze social problems independently, scientifically and critically. The great difference between being responsive and being responsible lies in the fact that, in the first case, universities should be receptive to what society expect from them; in the second case, they should have the ambition to guide reflection and policy-making in society. While universities excel at making new discoveries in all disciplines of science and technology, they must also scrutinize systematically the trends that might affect soon or later the well being of populations, and, if necessary, raise criticism, issue alarm signals and make recommendations.

It is precisely this responsibility that justifies why universities have been granted "autonomy", which is unique in the whole education sector, not to speak of other sectors or the State. This responsibility used to be a strong mission of the press; however, the political and economic pressures of our time push the media to be too responsive to the tastes of their audience, their government or the business world. Therefore, the responsibility of universities is even greater.

This responsibility, as well as the principles necessary to allow universities to assume them, has been repeated with strength by a thousand rectors and presidents of European universities gathered in 1988 in Bologna for the ninth centenary of the oldest university in Europe. In "*The Magna Charta Universitatum*" signed on this occasion, it is first of all stressed that Universities "must also serve society as a whole" and "must give future generations education and training that will teach them, and, through them, others, to respect the great harmonies of their natural environment and of life itself". Secondly, it is stated that "the university is an autonomous institution at the heart of societies" whose "research and teaching must be morally and intellectually independent of all political authority and economic power".

"Because society is changing, it needs references and frames for social, political and economic debate, construction of meaning, identity, and consensus on policies. The universities have a key role to play in providing these. We have noted that some of the duties that higher education is entrusted with can quite easily conflict with each other. In these cases, higher education must exercise its sense of responsibility *vis-à-vis* society, by adopting solutions that maintain and reassert the intellectual, ethical and social values on which it is built. This reassertion precisely constitutes one way of exercising its leadership role in society. It can sometimes mean selecting ways in which change should take place, sometimes encouraging and advancing change, but also sometimes resisting change" (Grin *et al.*, 2000). These two responsibilities can obviously be contradictory in the short run, as the pressures of the market and of politics require from universities to respond to immediate needs or to business or political opinions which are too

often basically utilitarian, reflecting short term, or even partisan needs, as well as sometimes temporary fashions, or possibly also the result of public hysteria in some particular topics such as nuclear power and genetically modified food. Therefore, it is crucial that universities have the freedom and the strength to pursue their search for knowledge away from undue pressure, political or financial, and to have the last word in designing their teaching or research programs. This does not mean that they should ignore their changing environment. On the contrary, universities have shown for centuries an extraordinary capacity for adaptation and change; otherwise, they would have disappeared. The reality for them is that they are situated at the center of forces, between the necessity to be responsive to the short term needs of their stakeholders and to be responsible for the long term interests of the society they are serving. In other words, a *responsible* society is also *responsive*, but in the long run, and universities incarnate the type of institution best suited to maintain this long term perspective, necessary for the society.

The tension between *responsiveness* and *responsibility* has been increased by the accelerating changing environment. Hence, meeting the challenges of permanent change and engineering the corresponding changes require recurring arbitration between the requirements of *responsiveness* and *responsibility*. However, examining these challenges, it is difficult to escape a feeling of dizziness. "Seldom has any institution been required to meet so many challenges, each of them so demanding and specific in its implications, all at the same time. The State itself, of course, is one of those institutions that has to discharge a large number of complex duties, but the latter do not seem to be socially defined in such an exacting manner. Furthermore, the state apparatus normally enjoys the use of a wider range of instruments (not to mention authority itself) to act upon the situation; by contrast, the universities have much more restricted courses of action at their disposal" (Grin *et al.*, 2000).

CHARACTERISTICS OF THE CHANGING ENVIRONMENT AND THEIR CONSEQUENCES FOR UNIVERSITIES: AN ECONOMIST'S POINT OF VIEW

The economists' focus

Economists are, like the other social scientists, particularly interested in changes taking place in society due mainly to the process of economic growth and its main determinants, to demographic and social transformation, and to the changing political and economic organization of the world. They observe and analyze their impact globally on the standard of living of nations, the distribution of income and wealth between and within nations, as well as in a more focused manner, their impact on business and govern-

ments, regional development (at continental as well as national levels), on the labor and financial markets, on exchanges of goods and services and on the welfare of human beings. Even if they do not put as much emphasis on the question, they are also interested in the impact of change upon the world of education and research.

The key transformations of our time

The key events, the source of deep transformation, are well known: the collapse of the Communist regime and the apparent end of the Cold War, the intensification of scientific discoveries and breakthroughs, the revolution of the information and communication technologies, the liberalization of world trade of goods and services and the simultaneous creation of regional economic or even political power blocks, the increased mobility of tourists and workers, the ever growing divide between those who have and can and those who have not and cannot, as well as the demographic imbalances between West and East.

These events, as well as related ones, are generally quoted under one heading: globalization. The movement of globalization has multifold and deep political, economic and social consequences. To the economist (but this should also be true for political scientists and sociologists), by far the most important one is increased competition in all aspects of social, political and economic life.

This obviously concerns business firms. Big firms have to play globally to survive, and merge with other firms if they are not the right size. In merging, they try to reach some sort of monopoly position and also to exploit a situation of decreasing cost per unit of production or service, which might be originated by the growing importance of the initial investments necessary to market a new product or service. Under the increased pressure of the financial market, firms have also not only to secure their profitability, but to aim at a higher return on capital. Among the many consequences are that they have more than ever to employ a quality labor force, to implement good strategies and provide better goods and services, thanks to a greater incorporation of advanced knowledge in their products and services, as well as in the production process.

This concerns also the State and other governmental organizations. The climate of strongly increased competition is pushing the public sector to pay more attention to its efficiency, and less to social justice, nationally and internationally. This has led to the privatization of utilities like telecommunications, electricity, collective transport or even postal services and water services, as well as to the search for increased efficiency in the provision of public services.

The climate of increased competition affects deeply the relationship between States. The necessity to assure the competitiveness of a country has become one of, if not the first, policy priorities of many governments. It has led to the creation of regional alliances, the main aim of which is to increase the competitiveness of the alliance towards other leading countries or regions. This has certainly become the most frequently quoted target of the European Union in order to counter or to match the threatening economic, political and military hegemony of the United States, as well as the industrial capacity of Japan.

Globalization and the climate of severe competition that it provokes does not spare the university sector from transforming itself in order both to take advantage of new opportunities and to adapt its provision of services to changing needs. Three developments are essential, as are their immediate consequences for universities, in particular research-intensive universities, pushing them to be responsive without weakening their responsibility towards society. These developments are: first, that universities are increasingly confronted with competition; second, that their activity will be increasingly dependent on the business sector; and third, that they should respond to an increasing need to be critical towards some social, political and economic developments. In fact, there is a fourth impact: as the movement of change has accelerated, the governance of universities must significantly become more pro-active and requires more and more clear and unpopular decisions.

The increasingly competitive university environment

In many respects, universities used to benefit from a quasi monopoly situation. In countries like the USA or the UK, this is certainly true for the national university system, as the immense majority of students study within the country. The pool of recruitment becomes even regional for more professionally-oriented institutions. In continental Europe, despite the great visibility of the Erasmus and Socrates programs of the European Commission, there is still little mobility. The majority of students choose to attend an institution in their own city or region, and spend their whole study time in the same institution. This is going to change gradually, due to the great efforts made to create a European Higher Education Area as well as a European Research Area, and due to globalization. The main forces at work will strongly reduce the quasi monopoly situation of universities, in particular for teaching, which has always been more local than research. Although the increased competition has also an impact on research, we shall examine this question under another angle in the second point.

Regarding the teaching mission of universities, multifold developments are reducing the monopoly position of universities:

- The increasing demand of students to do part or all of their studies abroad and multinational agreements like the Bologna process in Europe, which aims at eliminating all administrative barriers to free movement from one university to the other and one country to the other over a ten-year period in order to create the European Higher Education Area (Bologna Declaration, 1999).
- The increased demand for continuing education, due to the fact that the length of validity of knowledge is decreasing rapidly and that everyone is now forced to change job several times in a professional life.
- The improved information from universities, which is the fruit of a broad genuine effort, and which is supported thanks to the elimination of time and distance made possible by Internet.
- The implementation of new technologies for teaching and research is at a starting point. If teaching has been done for centuries basically with the same chalk and blackboard, and with students remaining rather passive, the new technologies, in particular CD, DVD and Internet, will offer very attractive teaching material and methods locally or at a distance.
- The accelerating creation of new, more specialized, teaching institutions, some of them run as “for-profit” businesses, will increasingly provide on a location or at a distance attractive teaching programs, which can be completed more rapidly than in traditional universities or in parallel to a professional activity. This development is not yet significant in Western Europe, seems to speed up in the USA and runs at full steam in the East and Central European states, where, over a 10-year period, 600 so-called universities were created, for example, in Russia, and 180 in Poland. However, things are changing in the West too and the number of new, often very specialized, institutions will greatly increase in the years to come.

These developments will soon be considered as serious and even threatening competition for traditional public or private not-for-profit universities. It is therefore in the interest of the latter to react in order to improve their offer, in particular the relevance and quality of their programs and of their teaching methods. Moreover, they are pushed to do so by their governments and/or by the business world, which is fast to complain that universities are not providing the qualifications that they need.

It is precisely here that the tension between being responsive and being responsible appears. Yes, universities will more and more have to pay attention to the market, i.e., to treat their students as customers, in the sense that they have to serve their perceived needs and not only offer them what faculty

pleases. The more the higher education market will become competitive, the more it will become transparent, and the easier it will become for students to choose the program and the institution best adapted to their needs and most prominent.

However, does this mean that universities should reduce or abandon the disciplines providing a general education without specific professional knowledge or that they should transform their teaching programs to make them more professionally oriented? They should not do so, because of their long-term responsibility towards society. If they were to do so, they would only promote disciplines like information and telecommunication technologies, life science, material science, business management and law. These sciences are critical for the competitiveness of the national business sector, but they are not the only ones. The welfare and cohesion of a society depends also on knowledge, the rate of return of which cannot be evaluated in terms of economic growth. This is obviously true for the humanities, as they contribute greatly to the timelessness of our cultural heritage. But it is also true for social sciences like sociology, political science or economics, as they help to understand the deep rooted transformations that affect society, as well as to pinpoint the sources of tensions and, consequently, to suggest policies to overcome them. In this context, ethical issues raised by the development of science, the consequences of economic development on the environment, or the increasing divide between those who have and can and those who have not and cannot, require that programs aim not only at providing knowledge to the students, but also a better general education and a sense of their responsibility towards the long term interest of society and not only the essentially short term targets of the business world.

Moreover, providing professionally-oriented programs might be quite tempting in disciplines like law, business or education. This would probably make it easier for young graduates to find a job. However, this would mean giving less importance to pure intellectual training and to the study of related, more cultural, disciplines, which will rapidly appear as a great loss, making it more urgent and difficult to correct afterwards. And more than that, as soon as one learns that half of graduates, after 5 to 10 years, do not have a professional activity narrowly related to the discipline they studied, one is forced to realize how much the university provides, above all, intellectual training and not fixed knowledge that can be used indefinitely.

The increasing financial dependence and decreasing intellectual autonomy

The second main consequence of globalization, and of the climate of increased competition which follows, is to decrease the financial independence and intellectual autonomy of universities. In the nineteen sixties and

seventies, universities benefited from a generous budget allocation from the public sector, because politicians were convinced that higher education was a crucial investment. In the eighties and particularly in the nineties, the State financing of public universities changed significantly on both sides of the Atlantic. Universities have become the target of increasingly numerous critiques emanating principally from right wing politicians and from the business world, and their budgetary allocations have suffered deeply from the higher priority given in particular to social security and redistribution policies, health and agricultural policy. This competitive climate has a negative impact on the quality of teaching and condemns the leaders of research laboratories to search for compensatory or additional financial resources outside of the public sector, entering increasingly into contracts with industry.

Moreover, the ever increasing complexity of the research topics and the sophistication of research methods contribute to make research more and more expensive in many fields: sophisticated equipment and the creation of multidisciplinary teams or networks have become indispensable. More than ever, advanced research in the hard and life sciences, and even for some projects in the social sciences and humanities, is strongly impeded by tight budgetary constraints. On the industry side, the transfer of new knowledge into new products is also becoming a real challenge. The hard competitive environment makes it crucial to shorten the lapse of time between a scientific discovery and its application to a new product or a new service.

These two developments push industry and universities to collaborate more closely and to create a true university-industrial complex. There are clear gains of trade for both parties:

- Industry is generally lagging behind in basic research and avoids investing in free basic research because its financial return is hypothetical. On the other hand, the world of universities and independent research laboratories provides an immense reservoir of knowledge, with leading teams in most fields of scientific enquiry.
- Industry finds it generally easier to secure the necessary financial means for investigating what it considers as a priority.
- In addition to that, the challenge of the transfer of technology makes it important that there is a much closer collaboration between fundamental and applied research, in other words that university and industry create together effective knowledge networks.

The developments in public universities described above can also be observed, however in less dramatic terms, in private not-for-profit institutions, which are numerous in the USA and hardly existing in Western Europe. They have also to collaborate much more closely with the business

world in order both to secure adequate funding and to have the opportunity to remain an important, or better, a leading actor in some domains of research.

The fact that both parties are more and more demanding, as they both gain from the collaboration, explains the intensification of the university-industry links and cooperation. However, the deep difference of culture, missions and aims of these two types of organizations makes of this complex a “marriage against nature”, which is very difficult for both parties for the following reasons:

- Industry is inevitably thinking in terms of return on research investment. The necessary condition is therefore to commercialize the result of successful research, in other words to become the private owner of the knowledge discovered. As industry is providing the financial means to the complex, it is in a position to impose a great deal of the contractual conditions.
- University and independent research laboratories, on the contrary, have a mixed motivation between the sheer disinterested curiosity to do a piece of research on a topic and hopefully make discoveries which will make them known, and the necessity to find the funding to buy expensive equipment and to secure the payroll of the research staff.

In summary, the reinforced competition, which makes it crucial for industry to have a knowledge lead and for universities to find the necessary financial means for their research activity, despite a lack of adequate public financing, places the university in the middle of its dilemma between being responsive and being responsible. The dangers are obvious as universities may try to reach their research objectives, more or less whatever the means. This implies mainly two things: universities are tempted to accept more contracts in applied research than they should, and/or they could accept contractual conditions that impinge upon their academic freedom. Moreover, some laboratories could be tempted to arrange somehow the results of their research to please their sponsors or would accept to reserve the results of their research for their sponsors, which would then commercialize them if they are of interest to them (Nature, 2001). This might be profitable for the laboratory and/or the researcher, at least in the short run, as in the long run, he (or she) could also lose his (or her) reputation. But, it is against centuries of tradition where research results are a pure public good, made available to everyone through scientific publications or communications.

Moreover, the consequences may be even deeper for the whole institution. Berdhal (2000), chancellor of the University of California Berkeley, has

observed that the fact that only some sectors of the university are partners of industry creates many serious imbalances and tensions within the institution.

Increased need for universities to be critical observers of society

The fact that universities benefit from a large autonomy regarding the choice of their staff, the object and content of their teaching and research, does not guarantee that they take advantage of this unique privileged position to be pro-active as a fine and critical observer of societal developments. Conservatism, conformism, as well as the lack of consciousness of independence, a lack of civil courage, or even of financial independence, mean that the academic community is often too hesitant or too passive to embrace serious societal questions, therefore not assuming fully the responsibility society has given to it in guaranteeing autonomy and academic freedom.

This is rather disappointing, because the key transformations described above, and in particular the climate of fierce competition affecting business, governments and the media, are dramatically increasing the need for people or organizations (why not universities?) to act responsibly towards the long-term needs of populations. This implies above all that they should pay more attention to societal developments and, if necessary, be more openly critical.

The challenges for universities and research are immense and include: the increasing disparity of wealth and access to education and new technologies at the world level, the inversed relationship between population and economic development, the degrading environment, the increasing importance of money and capital as a criteria of political and social decisions, the incapacity of the world to solve long lasting regional conflicts, the relative inefficiency of social policies and of the provision of public services. These questions, and many others, would deserve more attention on the part of researchers and a larger place in the teaching of many disciplines. Obviously, universities cannot change the facts, even force changes of policies. However, researchers, thanks to their scientific training, are in a better position to foresee the consequences of different trends and to see the possible interdependence between separate events. Moreover, the freedom and independence which is given to the academic community allow it to express publicly its views, and, if these are critical towards an enterprise or a government, with much less risk than for anyone being part of the business or political word. This is why that it is part of the responsibility of a university to watch critically what is going on and issue alarm signals if necessary.

CONCLUSION

Universities must permanently strive to adapt to their changing environment, in order to be more responsive to the needs of the community they

serve. They have been granted autonomy to allow them to be responsible towards society by identifying present and forthcoming difficulties and helping to solve present and future problems.

However, there is obviously a tension between these two aspects of their fundamental mission. The recent development of the world, in particular the phenomenon of globalization and the climate of increased competition it creates, is increasing this tension within the university between responsiveness and responsibility. Not only is it ever more important that universities take seriously their responsibility as the main critic of social, political and economic development, it is also important that they avoid to be fully submitted to the increased pressures of the market and of politics, among other reasons, to secure alternative sources of funding.

If universities are unable to balance their two missions, they will lose the justification for the autonomy granted to them, which, in the long run would be a great loss, not only for them, but for society as a whole. This is why the fact that universities spend relatively little time on societal issues, compared with more abstract questions, deserves to be at the top of the list of criticisms addressed to universities today—not the fact that they are not responsive enough to the short term needs of society.

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