

Conference for University Leaders

Keynote Speech 1



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Title of the Keynote Speech:

Globalisation of Higher Education and Research in the 21st Century: toward a global market?

The role of a higher education system has become crucial in international competition where today's economies are increasingly based on harnessing knowledge and expertise. It determines their capacity to adapt swiftly to new situations, new markets and new technologies. The countries with the least competitive higher education systems incur more substantial costs than the others in today's environment of globalisation.

More than ever, globalisation exerts a major impact on higher education and research. Industry and services have been offshoring into emerging countries at a fast pace highlighting the crucial role of technological sophistication, and more generally speaking, the importance of the *knowledge economy* in international competition. At one point the more developed countries hoped this offshoring would provide them with a fallback position, but emerging countries, such as China, India and Brazil, are now hot on their heels.

In the digital era of today, many academic institutions have gradually connected with one another to build a global network. This situation stems from the result of the technological revolution in communications, the developments in science as well as the very nature of knowledge that now operates via accumulation and paradigm shifts.

In other words, in the current globalisation move, the global, and possibly universal, dimension of universities is asserted more freely and more easily. The globalisation of higher education and research is nothing new, but simply amounts to a new phase in the globalisation of the conditions under which knowledge is created and transmitted.

Against this backdrop, two major trends are shaping education and research at a worldwide level:

- 1) The increase in international mobility in tertiary education is giving rise to crucial modes of competition within higher education and research.
- 2) Economic competition is now playing a key role in the field of higher education and research thus impacting on the concentration, diversification and also modernisation of

academic and research institutions.

1. Mobility and international competition

The reference to Erasmus and the numerous thinkers and THEOLOGISTS who used to roam Europe to exchange ideas and build modern Western thought obviously springs to mind.

More recently, we have witnessed wide scale intellectual migration flows. The ascent of Nazism and the Second World War in Europe drove numerous European scientists to the United States. The universities of Chicago in the Midwest and Columbia in New York at that point in time developed the model of “a research university” welcoming many scientists and intellectuals who had fled Europe to survive and pursue work.

In a closer past, Europe and the United States benefited from the significant number of scientists emigrating from the former Soviet Union to seek better living and working conditions. Likewise, the *brain drain* from developing countries into industrialised countries had already occurred and had been criticised in the 1960s and 1970s. Nowadays, in the first years of the twenty-first century, globalisation has ushered in a new cycle of international mobility in higher education and research.

1.1 A new cycle

The recent growth in international student exchanges represents one of the more significant aspects of international mobility. Europe was certainly innovative when it launched its famous Erasmus programme in 1987. Drawing on the image of the medieval scholars this programme was first and foremost aimed at “encouraging the emergence of values and a common identity *via* direct contacts between young Europeans with a different language and culture¹”. Erasmus provides the opportunity for, and organises, student exchanges between European universities for six months or one year. No diploma is delivered in the host university but there is the possibility for students to transfer and accumulate credits thanks to the European Credit Transfer System (or ECTS). The European Union funds this programme with a large mobility budget of about €190 million per year for the Socrates1 programme and €440 million per year for the Socrates programme covering the period 2007-2014.

More than 100,000 European students benefit from Erasmus every year. Nevertheless, student mobility in exchanges, has noticeably developed in the past twenty years, but it still remains modest. In 2006, Erasmus students accounted for just 0.72% of European students. All in all, after a four year study period on average, no

¹ Vincent Schächter, “Erasmus puissance 10”, 24 March 2007, www.telos-eu.com/fr/article/erasmus_puissance_10.

more than 3% of European Union students take part in this mobility programme². A similar kind of mobility is also found in the United States for *undergraduate* studies, under the form of *study abroad programs*. These programmes provide undeniable advantages in giving an international flavour to academic curricula, in adding a cultural enhancement and also in helping graduates find work. This model at present cannot be spread to poor or emerging countries. In fact, international student exchanges remain a “pedagogical luxury”, reserved for universities of industrialised countries.

“Real” international student mobility is where students leave their home country to study and graduate abroad. In some cases, studies are truly international. Certain students complete their undergraduate studies in a first country before moving on to a second one for their post-graduate studies.

According to the OECD, the international mobility of students in OECD countries has more than doubled in the past twenty years. The number of international students in OECD countries has increased twice as fast as that of students in OECD countries³. All in all, the number of international students enrolled in higher education courses in OECD countries totalled 2.7 million in 2004. “Six countries host 67% of the world’s foreign or mobile students: with 23% studying in the United States, followed by the United Kingdom (12%), Germany (11%), France (10%), Australia (7%) and Japan (5%)”⁴.

Significantly, China is becoming a host country for foreign students. According to the *People's Daily Online* dated 8 August 2006, China is considering a twofold increase in the number of foreign students attending its universities by 2020 and “China will enrol 300,000 foreigners in its universities by 2020, up from 140,000 in 2005, a Chinese educational official said”⁵.

Student mobility matched by international mobility among academics and researchers has soared over the past twenty years. Measuring this development, however, is very hard. At a national level, academics are still hired to a large extent on statutory bases, however an international market of academics and researchers, based on disciplines, is emerging. Every year, the most promising young PhDs in Economics meet in the United States at international congresses that are *de facto* huge *job markets*. The research departments of major American universities, in some disciplines such as Science, Economics, Business Management, etc., are really international in terms of their staff.

2.2 Offshore mobility

The new forms of “international mobility of educational goods” at higher

² See V. Schächter, *ibid*.

³ OECD, *Education At A Glance. 2006 OECD indicators*, OECD Publishing, Paris, 2006.

⁴ UNESCO, *Global Education Digest 2006: Comparing Education Statistics Across the World*, http://www.uis.unesco.org/ev.php?ID=6827_201&ID2=DO_TOPIC

⁵ “China to double foreign student intake by 2020”, article published on 8 August 2006 in *People's Daily Online*, http://english.people.com.cn/200608/08/eng20060808_290712.html.

education level are more complex. Let's take the mobility of courses between countries. This category of mobility, often called *offshore* in its sophisticated form, consists of a university setting up a subsidiary in a foreign country. Numerous recent examples illustrate this approach: The university Paris IV opened "Sorbonne Abu Dhabi" in 2006. Georgetown University and Cornell University opened branch campuses in "Education City" in Qatar. The well-known French institute INSEAD now has an Asian campus in Singapore. In 2006 France set up the French-speaking university of Cairo with a consortium of French schools and universities, modelled on the French-speaking university of Galatasaray in Istanbul, etc. These offshoots offer the same courses, programmes and diplomas as the "parent company" in the host country.

There is an even more sophisticated form found in the development of educational *franchising*, widely practised by British universities (in Turkey for example) and their American counterparts. The parent university transfers a complete *curriculum* and therefore a diploma to a foreign university. It implements quality control and ensures supervision of the educational process in exchange for a payment on all diplomas delivered. The *offshore* model also encompasses the forging of international alliances and partnerships between foreign universities to design curricula or research programmes in a given country. These forms of international cooperation can lead to a university providing its own courses in a foreign country.

2. Ever fiercer competition

The new forms of mobility exert huge effects on the national higher education and research systems. Stiffer competition appears between countries in relation to their higher education and research systems, and also between academic institutions themselves.

2.1 The market of students and academics

The major risk for a country is losing control of the training of its own elites. The consequences in terms of dependence, acculturation and internal fragmentation of its population are enormous. What room for manoeuvre does a country enjoy when all its elites are trained abroad?

Fierce competition pits the most developed countries against one another for attracting the best foreign students to their schools and universities. They clearly intend to exert influence via the training of third-party countries' elites. Such a policy is an application of the *soft power* theory propounded by Professor Joseph Nye, the former dean of Harvard's Kennedy School. Influence spreads *via* political, economic, legal, cultural and military elites. For instance, the impact of engineer training models on foreign students enables a country to exert its influence on the markets of the most sophisticated capital goods.

Likewise, attracting the best foreign students to the national educational market,

combined with an appropriate immigration policy, enables a country to develop public research policies based on the *brain drain* or *brain gain*. Host countries implement really selective immigration policies. Such policies focus on the disciplines foreign students are enrolled in. In the United States, Great Britain or Germany, at least 30% of mobile students choose courses in Science, Agronomy or Engineering. These immigration policies use the level of foreign students as a criterion. According to the OECD⁶, the United States is “the main magnet for highly skilled migrants”. Already “in 1999, 27% of scientists and engineers in the United States with a doctorate in science and engineering were foreign-born, this amounted to 44.6% in engineering and 46.4% in computer sciences”. A noteworthy point is that “the average stay rate of foreign doctoral recipients in science and engineering fields four to five years after graduation increased from 41% to 56% between 1999 and 2001” **. Note that these three quotations are taken from the same source: “*Internationalisation and Trade in Higher Education*”.

In addition to these political and scientific stakes, international student mobility represents a highly attractive economic market. According to the OECD international trade of educational services accounts for 3% of total global exports of services. It has become one of the main items that ensures the break even of the balance of payments in a country such as Australia⁷. In addition to tuition fees paid by foreign students, noteworthy amounts of money are spent on travelling to, and staying in, a foreign country. International student mobility enables a country to gauge the international attractiveness of its institutions and, therefore, assess the international prestige of its higher education and research institutions.

Competition among higher education and research institutions is increasingly exacerbated. Boasting a Nobel Prize or the winner of a Fields medal in an institution’s staff is crucial to attract the best academics and researchers and to improve chances of getting maximum public and private funding. Competition *via* compensation and living conditions offered by institutions is highly unequal, since most countries organise the career path of their academics and researchers within their civil service and, accordingly, cannot seriously take part in such competition.

A university professor in France can expect his/her gross annual compensation to be close to €80,000 at the end of his/her career, versus €150,000, or even more in certain American or British universities.

International competition is also raging in the new training markets, via the aforementioned *franchising* approaches and the development of international post-graduate programmes. *Executive Masters*, aimed at managers in the middle of their career, is a clear example. These programmes:

-TRIUM, set up by the London School of Economics and Political Science (LSE),

⁶ Centre for Educational Research and Innovation, *Internationalisation and Trade in Higher Education*, OECD Publishing, Paris, 2004.

⁷ Kurt Larsen and Stéphan Vincent-Lancrin, “International Trade in Educational Services: Good or Bad?”, *Higher Education and Management Policy*, OECD, n° 14 (3), December 2002.

-New York University's Stern School of Business (NYU Stern) and France's Ecole des Hautes Etudes Commerciales (HEC),

have very expensive fee systems, but offer cutting edge courses in a totally globalised environment for top-flight managers seeking to change their profession or speed up their career path.

2.2 A profit-less market

This competition is most clearly expressed in the international rankings of universities, such as the so-called "Shanghai ranking", operating since 2003 by the Jiao Tong university. It publishes its own list of the top 500 universities in the world, or the *Times Higher Education Supplement* (THES) table, which ranks the top 200 universities in the world.

Competition, rapidly spreading in the fields of higher education and research, consequently leads to the introduction of market components into a sphere that had always remained remote from such concerns. Competition operates via numerous processes that depend on the nature of funding. Bidding in calls for tenders enables institutions to gain access in a transparent manner to substantial funding for both research as well as teaching. However, competition also prevails with respect to increasing the share of public funds an institution may receive. Lastly, the field of private funding is expanding: tuition fees, breaking into such markets as consulting or ongoing vocational training or tapping sponsorship. We are witnessing the emergence of a diversified market, or rather diversified markets, of higher education and research. At present these markets remain quite unique since they are developing without the concept of "profit".

3. A radical overhaul

After World War II, national higher education and research systems were set up. In France, the higher education and research system blends several models: universities, the so-called "*grandes écoles*" and the major research organisations: National Centre for Scientific Research (CNRS), National Institute for Health and Medical Research (INSERM), National Institute for Agricultural Research (INRA), etc. The dichotomy between teaching and research is one of the specific features of the French system.

The missions assigned to higher education and research were straightforward during this period of rebuilding and economic development:

- 1) ensure economic growth through scientific and technological progress,
- 2) ensure economic growth by increasing the populations' level of tertiary education. This mission was based on the call for social cohesion which was supposed to depend on access for the highest number of school leavers to higher education.

3.1 Between the anvil and the hammer

The French model performed well until the 1980s. Today it is caught between the anvil of national tradition and the hammer of the need to internationalise the system.

The present context composed of distinctly separated national higher education systems, isolated and protected by the State needs a tough reorganisation and radical changes to respond to the new challenges of national and international forces in higher education and research. Of course, there are a number of significant hurdles in the way of mobility and resistance to the introduction of market forces. Some obstacles have been deliberately erected and are related to regulations, procedures implemented to the accreditation of diplomas and the national status of academics, etc. However, there are other obstacles: linguistic, cultural and financial. Competition between higher education systems, and especially between the academic institutions within is ever fiercer. Nowadays, selection rates set to determine the number of students enrolled in courses have become competitiveness indicators. The extent to which graduates gain access to the labour market or results of bids submitted to calls for tenders are also crucial factors in terms of gauging the success of institutions.

3.2 The new challenges

Three challenges of varying significance arise from the impact of globalisation on higher education systems:

- 1) the appearance of standards in this field,
- 2) the increased inequalities between academic institutions,
- 3) the difficult connection between teaching, research and economic growth.

● *Standards* in the field of higher education used to be determined at a national level, the State set out how studies were to be organised and structured and it defined qualifications and diplomas. Nowadays, by contrast, competition sets overall “standards”. However, negotiations carried out by individuals who move from one institution or one country to another, as well as by the institutions themselves, have led to the emergence of two major trends:

Firstly,

- The American academic system has become the benchmark system for educational programmes.

- Those institutions most highly exposed to international competition (*business schools*, for example) set their own standards within the framework of international associations.

● Secondly, *inequalities between academic institutions* are increasing at a national as well as an international level. The most blatant relate to the ability to garner funds and human resources, followed by the quality of teaching and research and, lastly, the diversity and quality of the services required by teaching and research.

For instance, the operating budget of Princeton University in 2006 exceeded \$1 billion for around 8,000 students. In the same year, the respective budgets of LSE (7,500 students) and Sciences Po in Paris (6,500 students) totalled €335 million and €135 million. More strikingly, the major US research universities have capital funds that total several billion dollars: Harvard University's endowment stands at \$26 billion⁸. A far less prestigious university such as Emory in Atlanta has built up a capital fund of more than \$5 billion.

Technological, scientific and financial resources are concentrated in a small number of educational institutions. Consequently, developments under way are resulting in a dichotomy within higher education and research systems. American and British universities hold a preponderant position among the world's best universities. In the 2006 THES table, they accounted for half of the top 100 universities.

Faced with this splintering of higher education systems and their fragmentation, the challenge is becoming how to democratise academic institutions. How can the quality of all institutions be guaranteed? How can efficient national and regional planning be ensured? How can the number of students gaining access to higher education be increased?

● The third challenge, and certainly the most complex one is the *relationships* between three poles: *Teaching, Research and Economic Growth*. A recent report published by Institut Montaigne⁹, a French think tank, highlights the extent to which Europe has lost ground in global competition in research and higher education.

4. Europe: the risk of dropping out of the race

Europe must rapidly raise at least twenty of its higher education institutions to the level of the world's major universities. Nowadays we acknowledge an economy's competitive advantage, and therefore its long-run growth on its ability to harness innovation and file patents. For this to happen, we need appropriate and sufficient resources at research level and we need to ensure a close relationship between research and the country's economic fabric. The traditional model of higher education is not adapted to this new deal. This is particularly blatant in France, where the separation of teaching and research has been exacerbated and the dichotomy between "poor" universities and excessively small *grandes écoles*, hampers the emergence of major research universities which could aspire to be ranked among the best in the world.

The issue of new technologies is now crucial. New technologies — i.e. new materials, nanotechnologies, biotechnologies, new information and communication technologies - define ways in which production is ensured and irrigate the entire

⁸ *The Times*, 5 October 2006.

⁹ "Avoir des leaders dans la compétitivité universitaire mondiale" (Having leaders in global academic competitiveness), Institut Montaigne report, October 2006, www.institutmontaigne.org.

economy. “The new bases of tomorrow’s economy are appearing on campuses, in laboratories and within communities of researchers maintaining a dialogue with investors¹⁰”.

The fate of higher education and research systems will depend on their capacity to meet three challenges:

- assessing the quality of teaching and research products;
- assessing the level of concentration of resources. How can resources be concentrated in a small number of institutions while ensuring the system is democratised?
- the interconnecting of research, teaching and growth. Universities, the essence of knowledge production and transmission, must develop in a tight link with the economic fabric within which they operate. However, is this compatible with the total scientific freedom academics want to keep?

It is now clear that a liberalisation process in higher education and research is under way at a worldwide level. Nothing is able to stop this move. There is an urgent need to channel these new dynamics to benefit our societies. Undoubtedly, thought needs to be given to the fact that knowledge is first and foremost a “public good” and seldom a market good. Therefore, one needs to seek to strike a balance between the competitive development of higher education and research and its public service mission.

¹⁰ “Avoir des leaders dans la compétitivité universitaire mondiale” (Having leaders in global academic competitiveness), Institut Montaigne report, October 2006, www.institutmontaigne.org..

Q&A

【Unidentified speaker】 :

Thank you very much for your speech. In your model, too much competition, too much science and technology and economic development, what happened with the humanities, the arts and the social sciences?

【Prof. Richard Descoings】 :

Thank you for your question. As you may know, this dedicated to the human and social sciences, we do have a big problem—quite so. Firstly, because many real scientists say, “What kind of sciences are the arts or the humanities or social sciences? Where are your patents, where are your discoveries, what kind of new knowledge did you propose?” We know in the social sciences how much importance not to forget that the human world is not made only of technologies and sciences.

The second problem we have to cope with is the limited public funds that fueled in an extreme major part the sciences and the natural sciences. We in the social sciences, we do not cost a lot. That is a big problem. Because we do not cost, we are not funded. And we need some laboratories; we need some help to our scientists.

So to answer your question, my belief is that in disciplines like sociology, law, history, political science, you may have a chance to benefit from the immense efforts of public and private fundings in the sciences if, an only if, we accept to cope with those new questions asked to our societies by the real sciences.

What about medicine? If medical sciences are more and more often able to be predicted, what about research on stem cells? What about the use of nuclear power? In every of these fields, the sciences make new discoveries. Technologies are incredibly better than ever (nanotechnologies, for instance). But the sciences and the technologies never, never answer social questions. And we have to create some kind of conversation between the social sciences and the sciences about those new crucial questions for our world.