

'Resilience and Reform: Universities and the Modern World'

Good morning. It is a great pleasure for me to be here in this great city and at this fine university to help shape our reflections on these critically important themes.

I would like to thank the British Council and the British Consulate-General, Chicago, for organising the event and DePaul University for hosting the event.

There is no better country than the United States in which to reflect on the achievements and future of Higher Education.

From the days before the Revolution (what we still affectionately call the *colonial period*), the role of higher education in formation of American public institutions and public culture was well established.

Whether we are thinking about the great universities which trace their histories back to the pre-revolutionary era, or the foundations which followed the Revolution, including of course Thomas Jefferson's greatest legacy, the University of Virginia, or forward to the remarkable courage and foresight which underpinned the land-grant colleges: all of these speak to America's unflinching belief in centrality of higher education as an opportunity and of universities as institutions.

The consequence of this for the 20th and 21st centuries has been unparalleled *private* commitment in the United States to funding higher education, a willingness to commit very substantial *public* resources both through tuition and through endowment facilitation, and the resulting network of public and private universities which remain the envy of the rest of the world.

It is notable, for example, that public investment in the United States system as a proportion of GDP (2.6%) is greater than that in the UK (1.3%), and this despite the very substantial private investment in US higher education.

The consequence of the history of American higher education is its remarkable political economy and the equally remarkable capacity for American universities to adapt. Looking in from the outside, we see this in the early development of specialist institutions within institutions (Business Schools would be a good example), the development of massively powerful research institutes, the way in which US universities have led in what the rest of the world calls knowledge or technology transfer, and the appreciation of universities as crucibles both in new ideas and remarkably skilled people.

Unsurprisingly, this and much else has given the university a very particular place in American public life and public culture, and universities define both individuals and economies in the US in a way which is only partially paralleled elsewhere in the world.

If you doubt this then let me remind you of one of the many delicious moments of *The West Wing*. On this occasion, Abbey Bartlet was asking Amy Gardiner “*where did you get your mouth?*”, to which Amy replies “*Brown and then Yale Law School*”. In almost any other country, certainly in the UK, such a brilliant line would be neither conceivable nor funny. Universities aren’t thought to define their alumni in quite this way.

All this said, these other higher education systems, including the UK system, do have certain quite distinct advantages. On most measures, the UK higher education system is the second most successful in the world.

It trails only the US in research impact, research output, citation quality, international recruitment, and the effectiveness of universities as motors of economic development. Remarkably, the UK system does this on less than half the investment that goes into US higher education.

As the recent *Universitas 21* analysis demonstrates, on output measures and impact measures the UK system is second, on input measures, critically investment, it is ranked 27th in the world. For those of us working in the UK, these data have a rather piquant quality. Of course we take some satisfaction in leading a system which, on these measures, is remarkably effective. We do, however, worry that our position will be eroded as a result of under-investment and, once eroded, our hard won eminence will not be recoverable.

So what drives success in higher education systems. At risk of being over-schematic, let me attempt a typology of sorts. If we look at the most successful higher education systems internationally, particularly in the developed and Anglophone world, they are characterised by number of common features.

First, and perhaps most important, is the autonomy of institutions.

Developed higher education systems tend towards autonomy, partly because of the long-matured nature of their leading institutions, and partly because time has well demonstrated that autonomous institutions can respond more swiftly and more flexibly to changing market conditions and newly-presented opportunities.

The second characteristic of high performing higher education systems is the right balance between freedom of academic enquiry, faculty independence, and a style of university leadership which is at once sympathetic and managerially competent. In essence, this has tended to mean that the best universities are led by outstanding academics who come, over time, to understand both the importance of high quality professional leadership at universities and the primacy of the academic endeavour.

Finding a middle way between the stifling managerialism of the corporate university on the one hand and the state-of-nature that would be the unmanaged university on the other is not always easy, but it is the central challenge for modern academic leadership.

The third characteristic of high performing universities and high performing systems is their complexity. By this I do not mean complexity of structures so much as complexity of mission. Though, of course, many of the most distinguished higher education institutions are monotechnics or high quality *niche* providers, the universities that most drive and shape higher education systems are high performing comprehensive institutions. These universities have succeeded in integrating research excellence and an unflinching commitment to teaching and outstanding education.

More recently, they have moved well beyond their traditional twin pillars of research and education and developed remarkable capacities to generate, develop, and then spin-out intellectual property. Their capability in research and development has led to long term partnerships with advanced manufacturing and R&D intensive businesses, and we see increasingly in areas of biotechnology major manufacturers embedding their researching capabilities within the university.

Something of this was brought home to me recently when I was speaking to a senior executive in Rolls Royce. We are key partners with Rolls Royce in a number of areas, including Advanced Materials. When I said to him that I quite understood the basis of our relationship and that if we failed to deliver they would go elsewhere for their university partner, he responded that I was quite wrong and if we failed to deliver planes would fall out of the air.

That brought home really rather graphically the intimacy of the relationship between a leading research university and a leading manufacturer.

The fourth characteristic of high-performing universities is that, in key ways, they come to define the communities of which they are part.

This is partly because the supply of the most skilled people into their communities is determined by leading universities, but equally because the scale of leading universities and the way in which other businesses now cluster around them means that, whether or not they acknowledge it, all of our leading universities have a major civic role.

Again, the leading private and public universities here have similar characteristics. That said, it is interesting to speculate on the extent to which private universities in developing higher education systems, might, over time, develop these deep roots and they thereby become embedded in local communities and regional economies.

To do so they will need to develop much broader disciplinary bases than they currently have and develop an economic model that goes beyond the kind of purchased service provision that is currently their principle *raison d'etre*.

The final characteristic of successful universities in developed higher education systems is their ability to embrace and indeed to forge new styles of partnership. For public universities this means that the public/private divide is constantly being blurred or, still better, dissolved. As universities seek both to diversify and to deliver existing activities more efficiently, new kinds of public-private collaborations have developed.

In some cases this is the old-style outsourcing model, in some cases this is the development of new kinds of partnerships for specific purposes, and in some cases this is a product of a much more symbiotic relationship between the public and the private. I became acutely aware of this some years ago, when I was Vice-Chancellor of the University of East Anglia, I led a process which resulted in the establishment of *INTO University Partnerships*.

This is now a substantial private provider of international higher education, but the genesis of the company came as a result of my university's need rapidly to grow at international recruitment and a visionary individual with a track record in international recruitment who was prepared to work to develop a new model, and a new style of partnership, alongside a new approach to accessing capital.

These kinds of innovative partnerships, now so vital to the development of higher education, are to be found most frequently in advanced higher education systems with self-confident, autonomous institutions who control their assets and futures and are thus able to plan long, to speculate, and to take the kinds of controlled risks involved in this kind of diversification.

Perhaps the easiest *cliché* now in higher education is that higher education systems are being globalised and most higher education institutions are shaped most profoundly by that process that we often glibly christen globalisation. Here, though, there is a deep paradox.

As I have argued recently in *The Globalisation of Higher Education*, the challenge for universities is to understand the nature of the global challenge, to respond to global opportunities and the possibilities provided by the emergence of a mass market in international higher education, and indeed developments such as distance learning, whilst simultaneously retaining or even enhancing their identities as institutions. A process I described as ‘being global and sounding local’.

At Birmingham have a collaborative partnership with the University of Nottingham, which is a leader in international education and global positioning. It is interesting to reflect that the University of Nottingham, with campuses now in China and Malaysia, brands itself unflinchingly as the University of Nottingham, and has rethought the nature of the University in the UK so as fully to reflect its presence in China and Malaysia in an enhanced version of the University of Nottingham brand. For these, and other reasons, the University of Nottingham has been more successful than most in developing its overseas campuses not as branches of the parent university but as part of a new University of Nottingham group with genuinely international reach and distinctive presences in a number of jurisdictions.

Precisely because of its distinctiveness and radical execution, the Nottingham model is not a template for others, but rather an example of what might be achieved.

My own university, the University of Birmingham, is pursuing a rather different strategy in Guangzhou in south China, based on a favoured-university partnership with the municipal government, dynamic research partnerships, bilateral relationships with leading universities, and nascent but very exciting industrial partnerships.

All of us that are serious about the internationalisation of our institutions must do so in ways that don't lead to homogenisation of institutions and institutional identity but rather to continuing developing and accentuating that which defines and distinguishes us in a global environment.

The theme of this conference could not be more timely. As the recent British Council report has demonstrated in its hugely helpful report *The Shape of Things to Come*, the market for international higher education is going to continue to expand

although there will be some reshaping as individual countries, notably China, continue to develop their own domestic capacity. Moreover, research and research challenges will become evermore global both in their scale and in the resource that is required to meet them. As higher education continues to expand, as the UK has found, the only way of sustaining such systems financially is to move towards a mixed economy in which both students and the state both contribute towards the cost of higher education and ensuring the availability of opportunity to all who can benefit from it. Australia has had such a system since 1989, and others will assuredly follow suit.

That said, the principal agent of change and development will remain institutions themselves, sometimes working alone, sometimes working collaboratively. Two kinds of institutions will not succeed. One will be those universities which refuse to change, which become imprisoned in their own traditions, however hallowed, and allow opportunities to pass them by.

By the time they realise the need to change the sun will be setting.

The other sorts of institutions that will fail are those which follow modishly every new initiative and become prey to the virus of mere enthusiasm. Universities need to know why they are doing things, and they need to be sure that innovation is sympathetic to their often long history and fully aligned with their medium-term strategic vision. It follows that universities that will thrive will be those that recognise the nature of their current reputation, the importance of quality infusing everything that they do, and the imperative to invest as well as to innovate.

In facing the future we have much to learn from one another, much to gain from strategic collaboration, and much to share in terms of student and faculty exchanges.

We can then face a dynamic future with confidence that our current success can be the harbinger of future greatness. We must not, however, be complacent. To do so would be to fail both our institutions and the peoples and countries that we serve.

David Eastwood

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