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Globalisation and the challenge for higher education leaders

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Connecting to themes opened by Sir Steve Smith, I will begin with the global ecology of higher education, the big picture, before drawing out some of the implications for institutional leadership.

Globalisation – meaning partial global convergence and integration on a meta-national and worldwide scale – impacts the higher education sector in two ways. First, changes at the level of global relations, affecting each nation and university from outside as it were. Second, changes within each nation, in parallel, so higher education everywhere seems to converge on a voluntary basis. Both kinds of global change, changes driven by cross-nation systems and forces, and changes driven within the nation, make us into clones of each other. Yet the cloning is incomplete. Globalisation is uneven in intensity: some nations and universities are more open to global influences. And all global effects are filtered through national policies and cultures. Nation-states are central to the evolution of HE, though the regional dimension is gaining ground. There are different strands in globalisation, different approaches to higher education, and the strong nations remain distinctive, though becoming more similar.

The main point is that since 1990 and the rise of the Internet, the global dimension has become much more significant. What have been

the main new developments in higher education of the last ten years? There are three developments, all global in nature. Global rankings, which began in 2003. Mass Online Open Courseware or MOOCs, which began in September 2011. And throughout the decade, the rise of higher education and science in East Asia and Singapore, changing the global balance of power. Together these three profound changes capture the essence of globalisation in HE:

- The *direct and inclusive* impact of communications-based global phenomena, as with the MOOCs and global science;
- The formation of a *competitive global market in HE*, regulated by university rankings and research publication and citation. Within this market there is a vast range of activities both cooperative and antagonistic, ordered within a common world market system that is vertical in form, hierarchical;
- And the counterpoint, the horizontal process, the *spreading of advanced capacity* to more and more countries and institutions around the world, not just in East Asia.

Let's look more closely at MOOCs, rankings and East Asia.

MOOCs: MOOCs have changed the political economy of teaching. In 16 months, via Coursera and Udacity at Stanford, and Ed-X led by MIT and Harvard, MOOC offerings and enrolments have grown at breakneck pace. Some programs attract a quarter of a million students. MOOCs have taken off because they are provided by global brand universities with leading world experts, because these high brand programs are free of charge, and because MOOCs provide assessment and certification - students' work is assessed using

multiple choice online software, and the minority of students who complete the program receive certificates with an Ivy League brand. MOOCs also encourage social networking between students. As a free platform with user navigated content and social interaction, like Google, they are perfectly attuned to the web. Previous online forms merely replicated the bricks and mortar university in virtual form with the same pricing. MOOC programs are recognized by many leading universities, though employer recognition is as yet unclear. MOOCs could substitute for international education on a large scale, and they are already being introduced alongside conventional delivery in existing institutions. They promise to radically reduce the average cost of teaching, lower the number of academic faculty in many countries, and weaken the position of universities prestigious at national level but left in the shade by the American giants.

Global university rankings. The first global ranking by Shanghai Jiao Tong University was scarcely noticed. Ten years later rankings are front page news. Research persistently shows that despite the shortcomings of this form of cross-border comparison, rankings are highly influential in family and student decisions about international education, and shape cross-border movement of academic faculty. They affect the reputation and often the revenue given to universities by governments, industry and philanthropy. Global rankings drive mergers to secure critical mass, and offshore recruitment to lift citations. Rankings are the chief performance indicator for university presidents, rectors and vice-chancellors, and for some ministers.

The spread of capacity in education and science, and the rise of East Asia and Singapore: In 1980 almost all research was concentrated in North America, Western Europe and the UK. The main exception was Japan, which achieved a mature science system 25 years before the rest of East Asia. The current picture is quite different. Almost 50 countries now produce more than 1000 journal papers a year, a useful proxy for a science system capable of reproducing itself. The Post-Confucian systems in East Asia – China, Hong Kong SAR, Taiwan, South Korea and Japan – invest more in R&D than all of Europe and the UK. Published journal papers are growing by 17 per cent a year in China, whose total research output is already half that of the US. Quality (as measured by citation rates) lags behind quantity, but quality is improving rapidly. China produces more than 10 per cent of the world's most cited top 1 per cent papers in both Engineering and Chemistry. Basic science in Korea, Singapore and Taiwan is again growing rapidly. World-class universities are advancing in all Post-Confucian systems. The National University of Singapore is as strong as the best Western European universities. Current outputs in East Asia reflect investments of 5-10 years ago. Given that funding of the leading universities continues to increase the rise of East Asian science must continue. Regional universities will attract ever more worldwide talent. In a radical modification of Atlantic and European domination, in future much of the world's knowledge will come from East Asia. The rise of Post-Confucian higher education, amid dynamic modernizing economies, is leading to a more plural world with a stronger diversity of cultures. MOOCs assert American domination, rankings impose Anglo-American templates, but the pluralisation of research power pulls in the opposite direction.

At the same time there are the convergent changes in higher education initiated by national authorities. This pattern is more uneven but there are definite global trends, trends exacerbated by cut backs to public funding in the wake of the economic crisis in Western Europe/UK and the United States. While recent changes are not uniform, in many countries financing is partly shifting from public to private sources, the public functions of higher education have become largely centred on the market economy, and the state's role is becoming more centred on research and STEM, seen as the engines of innovation. So far the Shanghai ranking has directed the focus of research policy onto basic science, but if states can devise plausible indicators of the contribution of higher education to industry innovation, focus will probably shift to the applied side.

These trends are most obvious in the English-speaking world, where educational financing has converged with the East Asian mix of state and household funding. However, the English speaking nations do not nurture the same depth or breadth of popular commitment to education, and the neo-liberal trend in financing may enhance dropout and social inequalities in participation in higher education.

The pattern within Europe is varied. Between 2008 and 2012, 11 countries cut public funding by over 10 per cent, including 57 per cent in Latvia. In Hungary public funding has been cut by more than 5 per cent each year. Portugal has seen it fall by almost 20 per cut and Greece and Spain have reduced spending sharply. In Ireland state funding per student dropped almost 20 per cent after 2007, partly

offset by an increase in the undergraduate student contribution. Yet public funding increased in all Nordic systems except Iceland, and also in France, Belgium, Germany, Austria and Switzerland. Higher remains remains free of charge for local students in the Nordic world.

The recession period has narrowed the gap between rising East Asia, where public funding is selective but mostly increasing, and the US and much of Europe. Yet other inequalities have grown. The gap between Northern Europe and the rest of Europe is widening. Developing countries lacking a modern science system, as in Indonesia and sub-Saharan Africa, are increasingly disadvantaged.

Perhaps the most striking changes have been in the US public research university sector, which generates most American academic research and PhDs. In 2009, 34 states instituted major funding reductions, triggering forced unpaid furloughs, cuts of 2-10 per cent in academic salaries, reduced course offerings, sharp increases in student tuition and reduced financial aid. It is unlikely that the pre-2008 position will return when state revenues increase: in fact the recession has sharply accelerated the long-term decline in the proportion of funding that derives from the states. In the University of California system, public funding per student has dropped from $15,860 in 1990 to $9560 in 2010 in constant prices.

Many governments have discovered that if they cut public funding on a large scale there is no necessary political punishment, and no necessary decline in participation rates. Middle class families know that they cannot afford to abstain from higher education, despite

increases in the private price. To abstain from higher education is drop out of the top half of the labour markets where professionals are formed. Governments will not forget these lessons.

What are the implications of these rapid fire transformations for university leaders? There are implications for the required perspective, the required knowledge and the required skills.

Perspective. First, effective university leaders are multi-dimensional. They operate simultaneously in the global, national, local and often regional domains, managing the tensions, while maximizing the synergies. For example governments are parochial and do not always understand the imperatives of global science. They may need to be persuaded to invest in the achievement of science indicators. Second, effective leaders are multi-disciplinary. They perceive culturally, not just economically and politically. Third, effective universities combine tradition and modernisation, retaining a strong sense of own agenda. A modernised tradition is the seat of cultural identity. One-sided modernisation tends to lapse into Americanisation. This means that science universities need strong humanities departments.

Knowledge: A strong grasp of global and regional context and trends is indispensable. This is one of the secrets of Singapore's self-created global advantage. Also close knowledge of the main lines of evolution in strategic science and technology. Both capacities can be built around the university leader but personal insight is very helpful.

Skills: In a plural higher education world with several strong national and regional strands, and the need to work in four dimensions of action at the same time, cross-cultural skills are vital. Especially the capacity to see the world from the perspective of the other, and the capacity to combine openness and responsiveness with a strong sense of one's own identity and strategic agendas. Leaders also need adroit positioning skills to retain the initiative in higher education matters when dealing with government and local elites. And they need operational skills: timing, opportunity management, that essential capacity to seize the moment when it must be seized.

I thank you for your patience and look forward to the discussion!