

# University Inc: European higher education in a globalised world

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*The pressure of scoring highly in higher education rankings means that European universities are steadily moving from their role as national institutions providing public goods to global businesses delivering educational services to students and other stakeholders. **Arnaud Vaganay** notes that whilst individually the chapters of the book are very rich and even compelling, some important questions remain unanswered.*

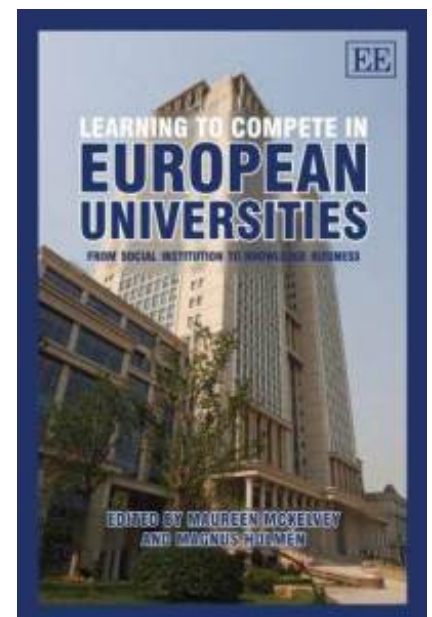


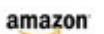
**Learning to Compete in European Universities: From Social Institution to Knowledge Business. Maureen McKelvey and Magnus Holmén (eds). Edward Elgar. March 2011.**

## Find this book:

Academia throughout Europe had its wake-up call in 2003 when the Shanghai Jiao Tong University published its global ratings list, the [Academic Ranking of World Universities](#). Only two European universities figured among the top 20 (no prizes for guessing who). Since then, league tables have multiplied. The publication of such rankings has had a profound effect on universities, most of which are now engaged in ambitious rank-seeking strategies.

In *Learning to Compete in European Universities*, McKelvey, Holmén and their co-authors argue that in response to these rankings – and various other pressures – European universities are moving from their role as national institutions providing public goods to global businesses delivering services to students and various other stakeholders. These knowledge-based services include education and research of course, but also societal interactions such as the commercialisation of scientific results. Four big trends are identified.





The first two big trends, of internationalisation and competition, feed off each other. The more that universities tailor their offers to foreign students and academics, the more attractive they become. Conversely, the more that students and researchers hop between countries, the more their choices count rather than the wishes of a particular government. To paraphrase *The Economist* in a [2005 Special Report on higher education](#), “just as globalisation has let capital and labour search for the best deal, the same is happening with students, academics and donations”.



Maintaining competitive advantage already increasingly lies in a collaborative agenda, which is the third trend identified in the book. The merger in 2004 of the Victoria University of Manchester and the University of Manchester Institute of Science and Technology with the ambition of breaking into the so-called UK ‘Golden Triangle’ (Oxford, Cambridge, University of London) exemplifies this strategy. So does the [sharing of staff between Warwick and Queen Mary’s University](#) or the

multiplication of Masters degrees offered by several universities. Joining forces allows these organisations to cut costs while boosting visibility and reputation.

Finally, McKelvey, Holmén and their co-authors show that universities are not only operating more *like* businesses; they are also operating more closely *with* them. For example, since 1990, Rolls Royce has been investing in a university partnership model for its research: the [university technology centre network](#). Today the company supports 28 university research centres worldwide, 19 in the UK, with over 400 PhD students and academic and research staff at all levels. This type of collaboration is highly valued by the industry, universities and students.

The idea of universities as service providers and students as consumers is a new and subversive concept in much of the world, bar the US and UK. In Europe, the only customer in education for the most part of the last century has been the government, which paid to get its workforce educated and trained in the most useful disciplines. *Learning to Compete* shows that the current transition is leading to what, in effect, is a market. This is an important paradigm shift: we are much better equipped to analyse market dynamics than we are to explain what on earth happens in the 'black box' of bureaucracy.

A direct consequence of this 'marketification' of higher education is that universities will increasingly be pushed to behave like firms. Here again, the book shows the relevance of notions so far used in the area of corporate management to analyse universities' strategic decisions. The book focuses on new issues such as alliances, learning, specialisation and diversification. Some of its empirical results challenge accepted wisdoms, such as the negative attitude of European researchers towards commercial research.

Considering higher education as a market raises important questions about the positioning and innovation of its agents. Building on the idea that the degree of specialisation of a market is positively correlated to its size, the authors of the book anticipate a boom in the provision of 'second-tier' education (i.e. universities more focused on innovation and/or offering shorter and cheaper curriculums) as well as a specialisation of 'top-tier' universities.

Whilst individually the chapters of the book are all very rich and even compelling, the reader might have the feeling that the whole is less than the sum of its parts. The linking material in particular fails to articulate the chapters along a clear and simple argument or narrative. The justification behind the choice of 'horizontal themes' that give the book its structure is slightly obscure. It is also surprising to see that the concept of 'competition' is only defined at the end of the book.

More importantly, the book neglects the role of exogenous factors in this transformation. Even in an area that is being de-regulated, policy still matters a lot. At EU level, the launch of the [Bologna process and the development of the European Research Area](#) have hugely transformed the market of higher education by encouraging the mobility of students and academics. Likewise, national reforms can still have a significant impact on the provision of higher education. The most recent policy changes in the sector have sometimes boosted competition ([greater autonomy given to French universities](#)) and sometimes impeded it (more restrictive visa regimes for non-European students in [UK](#) and [France](#)). Whether or not such changes were triggered thanks to or despite the lobbying of universities is a question that remains unanswered.

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respective roles of veto players, bureaucrats, interest groups and social researchers in the EU policy-making process. [Read reviews by Arnaud.](#)

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