



Higher Education at a Time of Crisis
Challenges and Opportunities
28-30 June 2009



Identifying and explaining solutions

Report from the working group sessions at the OECD Programme on Institutional Management in Higher Education (IMHE) international conference on Higher Education at a Time of Crisis: Challenges and Opportunities, hosted by the Copenhagen Business School on 29-30 June 2009



Copenhagen Business School

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These working group sessions focused on: Governance and Quality, Content and cost, How the Crisis might Transform Higher Education: Some Scenarios.

Governance and Quality

Presenters

- Fabrice Hénard, Directorate for Education, Analyst, OECD
- Francesc-Xavier Grau Vidal, Rector, Rovira i Virgili University, Spain
- Professor Dr. Axel Horstmann, Head of the Division for the Humanities and Social Sciences, Volkswagen Foundation, Germany
- Jan-Erik Krusberg, University of Applied Sciences Arcada, Finland

This session deals with governance, strategy and quality, posing questions such as: To what extent might the crisis call for a transformation in the governance of higher education systems and of institutions? What kind of institutional strategies could help the recovery? How could the

quality assurance systems respond to upcoming and unpredictable challenges resulting from the crisis?

Fabrice Henard addressed firstly the issue of quality, he stated that the impact of crisis is not only financial but encompasses multi dimensions including social inclusion of students and the students access to HE. The situation requires that quality assurance systems be capable of capturing the various challenges faced by the institutions, including the societal aspects: accountability is hence not restricted to procedural issues and risk management but should address other dimensions of HE including the equity issue. This furthermore requires exploring innovative and alternative methods to appraise the multi-facetted quality of HE.

Discussions showed that the crisis might require HEIs to be more effective in terms of student's inclusion in the job market that results in paying close attention to the relevance of programmes and to the appropriateness of skills gained by students. This means that the quality of learning outcomes will be increasingly under close focus in the near future. Quality in HE is not restricted to research and innovation and the quality of teaching (content and delivery) might may come under the same scrutiny as research and innovation have for decades.

Some speakers argued although accountability is the natural counterpart of more autonomy, there are limitations to accountability because HEIs cannot be accountable on every aspect of HEIs. We should accept the limitations of accountability and raise instead the right questions: accountability for whom for what? The crisis may also enhance the interest of political decision makers, funding authorities and tax payers on the efficiency of HE: as resources will become scarce, they might legitimately raise questions like: is it worth putting more public money on HE if students struggle to get a job?

Quality is also closely linked to the governance issues and regulations. The presenters thought that crisis might generate more regulations emanating from the national authorities; and likely to hamper the autonomy of the HEIs. Improving institutional governance may reconcile the tension between a possible reinforcement of regulation and the preservation of autonomy. Strong governance would mean for the HEIs to show they are capable of:

- identifying the challenges posed by the crisis,
- taking and weighting decisions, notably between Quality/Access/Cost,
- setting up solid financial management,
- tackling unpredictable impacts of the crisis which will not only derive from budgets cuts and financial scarcity.

Presenters recalled the importance for HEIs to define a strategy that meets their own interest and help overcome their own difficulties. Even if regulations might grow, HEIs will remain responsible for their development. HEIs will need to exhibit their axes for future development and to demonstrate the reasons why they opt for a specific strategy. The never-ending increase of the missions taken up by HEIs was underlined, and the need now (due to the crisis) to narrow the scope and target the missions which respond prominently to the needs of the students.

One of the prevailing missions which came out repeatedly of the debates was the creation and transmission of values. HEIs should safeguard this mission.

Content and Cost

Presenters

- Bruno Levesque, Principal Administrator, OECD
- Jamil Salmi, Tertiary Education Coordinator, World Bank, USA

This working group was about the content and cost of higher education at a time of crisis. Bruno Levesque presented the OECD's Financial Education programme. Financial education is a complementary process that allows and helps consumers to be financially literate. The OECD programme is a response to the detected need to inform and help individuals face increasing costs and avoid financial risks. Households are taking more financial risks, credit decisions and retirement savings. Consumers are inexperienced due to increasing complexity and not prepared to tackle these challenges. Among the OECD recommendations are that financial education should start at primary school level, where the aim is primarily to develop good practices in the field, to influence strategies. Training teachers to teach finance is also essential as a lack of confidence amongst teachers has been detected. Financial literacy evaluation will be part of the PISA evaluation in 2012.

The second presentation by Jamil Salmi focused on the impacts of the crisis on resource flows. He presented interesting examples from around the world, and stressed that differential effects of the crisis depend on context and strategic positions. He concluded by saying that there is a big risk involved in having short-term reactions versus long-term realignment.

How the crisis might Transform Higher Education: Some Scenarios

Presenter

- Stephan Vincent Lancrin, Senior Analyst, OECD

In the working group session on how the crisis might transform higher education, Stephan Vincent Lancrin argued that expansion will continue, and showed that the crisis would allow for less growth in tertiary education expenditure than in the past decade. He explored how different stakeholders might respond to the financing of tertiary education institutions.

Four scenarios for tertiary education systems were then presented: The first scenario would be to create international collaboration, where networks of institutions secure research and the willingness to share, and thereby establish a global Bologna; the second scenario would be to refocus on local communities after a backlash against globalization or because of the budgetary implications of the crisis; the third scenario called new public responsibility would differentiate the system by using new public management tools, such as incentives and competitive allocation of funding; the fourth scenario, higher education inc., would secure global competition and trade liberalization, which would result in international division of labour and separate R&D and teaching. One question raised then relates to what could change in the model/system so that it becomes more economical: what type of arrangements and system differentiation would be the most desirable? The point is that changing the perception of higher education institutions might be the solution. Virtual universities was suggested as the answer for the future. Another question was whether the further internationalization of higher education was likely or not. As there are already a relatively high level of exchange students (7%) the process of internationalisation seemed secure. It was not clear the incentives for further internationalization would be altered by the crisis. There was a discussion as to what level

higher education institutions should be national or international. There is a need for research and teaching to become internationalised even if it is questionable how far the latter could go.