



European Debates on the Knowledge Institution: The Modernization of the University at the European Level¹

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Abstract

The European University, as a key institution, is under stress. It has become commonplace to argue that urgent and radical reforms are needed. The claim is that while environments are changing rapidly, universities do not learn, adapt and reform themselves fast enough. Reform plans comprise the purposes of universities, i.e. definitions of what the University is, can be and should be, criteria for quality and success, the kinds of research, education and services to be produced, and for whom. Reform plans also include the universities' organization and financial basis, their governance structures, who should influence the future dynamics of universities, and according to what principles. In contrast, it can be argued that the currently dominant reform rhetoric is only one among several competing visions and understandings of the University and its dynamics. What is at stake is "what kind of University for what kind of society" and which, and whose values, interests and beliefs should be given priority in University governance and reforms? The paper presents a framework for analyzing ongoing 'modernization' reforms and reform debates that take place at various governance levels, not least the European level. It is part of a forthcoming book on 'University Dynamics and European Integration'.

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Demands for radical reform

European universities² face demands for urgent and radical reform. A standard claim is that environments are changing rapidly and that universities are not able or willing to respond adequately. It is necessary to rethink and reshape their internal order and role in society simply because European universities do not learn, adapt and reform themselves fast enough. Reform plans comprise the purposes of universities, i.e. definitions of what the University is, can be and should be, criteria for quality and success, the kinds of research, education and services to be produced, and for whom. Reform plans also include the universities' organization and financial basis, their governance structures, who should influence the future dynamics of universities, and according to what principles.

The reform rhetoric is both problem driven and solution driven. On the one hand, reform demands are raised in an atmosphere of a perceived performance crisis, or even an identity crisis. In particular, Europe's capacity to compete in the global "knowledge economy" is seen to be affected negatively by the perceived incapability of her universities to meet the fast growing demand for higher-level skills and competencies, and research-based commercial technologies. Europe has to prioritize university modernization because her universities are lagging behind the best universities in the USA and because upcoming China and India will make competition among universities and economies even stiffer. On the other hand, reform proposals are launched in an atmosphere of high hopes and expectations. Reformers do not despair. They claim to know what has to be done: "The challenge for Europe is clear. But so is the solution" (Schleicher 2006: 2).

² The term University refers to the traditional European research University as well as other types of higher education institution. European universities have currently more than 17 million students and some 1.5 million staff members working within 4000 institutions (Commission 2006b). The World Higher Education Data base identifies over 16,500 higher education institutions, of which 9760 university level institutions, from 184 countries and territories (IAU 2005)

The solution prescribes a new organizational paradigm, rebalancing external and internal relations of authority and power in university governance. It presents the kind of University that is deemed to be necessary for the “Europe of knowledge” as envisioned by the European Commission (Commission 2003, 2004b; Corbett 2005). The claim is that the solution, if implemented successfully, has a potential for improving performance by changing university practices and structures developed over long historical periods, as well as conceptions of the proper role of government in the economy and society. The basic ideas are well known from the New Public Management and from neo-liberal public sector reforms (Hood et al 2004). The remedies offered are celebrating private enterprises and competitive markets and they can be seen as “a solution looking for problems” (Cyert and March 1963; Cohen, March and Olsen 1972), and usually finding them, in all sectors of society.

The “solution” is to a large extent based upon causal and normative beliefs that are taken as givens, that is, it is in general not necessary to argue for them. The main assumption, in simplified form, is that more complex and competitive economic and technological global environments require rapid adaptation to shifting opportunities and constraints.³ This, in turn, requires more determined university strategies and a strong, unitary and professional leadership and management capacity that matches those of modern private enterprises. University management needs to control available financial and human resources and the power of the executive and the central administration of the University has to be strengthened. Collegial, disciplinary and democratic internal organization and individual academic freedom are viewed as hindrances to well-timed decisions and good performance.

Furthermore, it is argued that because government interference tends to reduce adaptability, performance and competitiveness, government and politics should have

³ As will be documented later, this stylized version of reform plans can be found in a number of reform documents as well as in the writing of advisors, commentators and lobbyists such as Soete (2005) and Schleicher (2006).

a less prominent role in the governance of universities as well as in society at large. Universities should have more autonomy and greater distance to government. Intervention by public authorities should be at arms length and not go beyond providing a “leveled playing field”, clear mission statements and accountability mechanisms for the results achieved. Universities should, however, be better integrated into society, in particular into industry and the business community, and should be governed by bodies that reflect a wide range of stakeholders. Third party evaluation and quality assurance should be organized through a variety of university-external bodies, such as research councils and accreditation agencies.

Reformers argue that the proposed changes will advance knowledge, produce functional improvement, and benefit society in general. The dominant language is emphasizing “modernization”, the economic functions of the University, necessary adaptations to economic and technological change, and economy and efficiency. The vision is a University that is dynamic and adaptive to consumers and that gives priority to innovation, entrepreneurship and market orientation.

In contrast, it can be argued that the currently dominant reform rhetoric is only one among several competing visions and understandings of the University and its dynamics. What is at stake is “what kind of University for what kind of society” and which, and whose values, interests and beliefs should be given priority in University governance and reforms? These are basic political questions that are unlikely to be completely free of legitimate tensions and conflicts.⁴ Attention to the political dynamics of University reform is also required by historical realities. Throughout history there have been colliding visions and power struggles over the autonomy, content, organization, governance and financing of universities. Academic autonomy

⁴ Democracy involves the belief that human destiny can (and should) be influenced decisively by human will, reason, and experience. Different conceptions of democracy, however, suggest different roles for institutions of higher education, for example, according to whether democracy is seen as the aggregation of pre-existing individual preferences, or as also forming human beings into democratic citizens and members of a political community (March and Olsen 2000).

and freedom have been challenged by political, economic, social, military, and religious power-centers with competing concepts of the good society, university and performance, and with shifting trust in the University's ability to settle its own affairs and its relations with society without external intervention. Furthermore, attention to the political dynamics of reform is required because the rebalancing of power within and over the University is part of a general rebalancing of Europe's political and economic institutional order (Olsen 2007).

The European dimension

While reform demands are currently raised, and reforms are taking place, at the local, regional and national level, this section of the paper primarily explores the significance of the emerging *European* layer of cooperation and policy making for University dynamics. A key question is: How do European processes of cooperation, integration and policy making affect the institutional dynamics of the University?

In Europe, universities have historically played an important role in nation- and state-building, that is, in supplying states with educated manpower, building a national consciousness and identity, integrating national elites, and providing a national research capacity for economic and social development. As a result, research and even more so education has turned out to be politically sensitive, making it difficult to achieve institutionalized European-level cooperation and integration in these policy areas.⁵ The idea of a European University was, for example, presented at the Messina Conference in 1955 and one argument was that integration should not be limited to the economic domain but should also include some form of cultural integration (Corbett 2005: 26). Yet member states did not want Commission control

⁵ Nevertheless, in 2006 the European Union celebrated thirty years of European cooperation in education (IP/06/212). For the history of research cooperation, see Guzzetti (1995). Corbett observes that in 1971 eight DGs were undertaking education-related services and there was rivalry about which DG and Commissioner should be responsible for higher education. Corbett also traces the establishing of some common principles, a rudimentary bureaucracy, an organized action capacity, and a line in the budget (Corbett 2005: 63, 68, 102, 110, 174).

and university rectors preferred a federation of universities and freedom from intervention (Corbett 2005: 36, 40, 48).

However, recently it has become more common to emphasize the need for a European perspective on universities and university governance has become embedded in a variety of organized settings beyond the territorial state. There are trans-national, intergovernmental and supranational processes of cooperation and policy making and new actors, issues, solutions, resources and modes of governance have been introduced. The Commission, in particular, has claimed that a dynamic knowledge-based economy (and society) requires modernization of the European University. The president of the Commission and the Commissioners responsible for higher education and for research observe that universities have never featured so high on the Commission's agenda, that the political interest in universities is growing, and that reforms are urgently needed (Barroso 2005; Figel 2006; Potočnik 2006b).⁶ The vision of the European Research Area (ERA) was launched by the Commission (2000a, b) and formally decided by the Lisbon European Council in March 2000 (European Council 2000; Commission 2002a). The intergovernmental Bologna Declaration and the subsequent process, aiming to establish a European Higher Education Area (EHEA) without borders in 2010, have also aroused high expectations.⁷

While the Commission sometimes plays down its own role, it has also produced a steady stream of documents promoting reforms of a radical nature.⁸ Common institutions have been established and *The Charter for Researchers* and *The Code of*

⁶ Ján Figel is Commissioner in charge of Education and Training and Janez Potočnik is Commissioner in charge of Science and Research.

⁷ For examples, Corbett claims that: "The European Higher Education Area may be set to transform the European states' higher education institutions as fundamentally as the nation state changed the medieval universities" (Corbett 2005: 192).

⁸ For example: "The Commission is not a direct actor in the modernization of universities, but it can play a catalytic role, providing political impetus and targeted funding in support of reform and modernization" (Commission 2006b: 11). See, however, (Commission 2000a, b, 2002a, c, 2003, 2005a, b, 2006a, b, and c).

Conduct for the Recruitment of Researchers, specifying roles and responsibilities have been developed (Commission 2005b). The European Research Council is presented as a revolutionary institutional innovation and an autonomous entity under independent scientific leadership (Potonik 2006b). The European Institute of Technology is portrayed as Europe's "knowledge flagship" bringing together research, education and innovation. One of its missions is also supposed to be "to disseminate new organizational and governance models". Its governing board is to consist of academics and business people who are imagined to be able to select the best areas for long-term investment in research 10-15 years ahead (Commission 2006a: 7; also Figel 2006: 11).

The launching of the ERA was supposed to provide member states with a framework for voluntary coordination within an internal knowledge market and for "strengthening and opening up new perspectives" (Commission 2002a). However, the demand for radical change and the mistrust of university traditions are clearly expressed:

"We need a new model – we need something which can demonstrate to countries where university models still hark back to the days of Humboldt, that today there are additional ways of doing things" (Figel 2006: 12).

The "new model" proposed by the Commission comes close to the stylized, dominant reform model sketched above. It questions the Humboldtian ideal of a community of autonomous professors (Chapter 3) and doubts that self-governing scholars will produce the best results for society at large. It emphasizes leadership, management and entrepreneurship more than individual academic freedom, internal democracy and the organizing role of academic disciplines. Universities should have more autonomy and also be more accountable and this requires new internal governance systems based on strategic priorities and on professional management of human resources, investment and administrative procedures. There is a mismatch between, on the one hand, the traditional disciplinary structures and the institutional

set-up for research in most European countries and, on the other hand, the requirements of new leading sciences, such as biotechnology and nano-technology (Potonik 2006b: 5; also Aho et al. 2006). Universities must overcome their fragmentation into faculties, departments, laboratories and administrative units and target their efforts collectively on institutional priorities for research, teaching and services (Commission 2006b: 5-6). All this “necessitates new institutional and organizational approaches to staff management, evaluation and funding criteria, teaching and curricula and, above all, to research and research training.” There should be multilateral consortia, joint courses, joint degree arrangements, networks and cooperation (Commission 2006b: 8-9). The Commission also opens for a further separation of teaching from research and for more differentiation and stratification among universities, so that not all research and higher education will be of equal excellence, yet with fewer differences between countries and more differences within each country.

The reform program lacks an institution and sector specific view taking into account the specific properties of the University as an academic institution and higher education as a policy sector. It is argued that the EU has already supported the conversion process of sectors such as the steel industry or agriculture; it now faces the imperative to modernize its “knowledge industry” and in particular its universities (Commission 2005a: 10). According to the Commission the “knowledge industry”, like other industries, urgently needs reform and the goals and remedies are basically the same as for other sectors.⁹

⁹ The urgency aspect is found in several documents from the commission and also in reports from expert groups, such as the Aho-group on “Creating an Innovative Europe”: “A final word - The opportunity to implement the proposed actions will not be available for much longer. Europe and its citizens should realize that their way of life is under threat but also that the path to prosperity through research and innovation is open if large scale action is taken now by their leaders **before it is too late**” (Aho et al.2006: 30).

Indicators of reform success are primarily economic. The European Research Area is a key component of the Lisbon process and the proposed University reforms reflect the aspirations to make Europe the most competitive economy within 2010. Research and higher education are identified as key instruments for economic performance and growth and for mastering global competition. The guiding philosophy for research policy is to create a single market for research – the creation, diffusion, and exploitation of scientific and technical knowledge (Poto nik 2006b), a vision that dovetails nicely with the general market-building ideology of the EU. Strengthening the triangle between research, higher education and innovation is supposed to make Europe more successful in converting its research achievements into commercial technologies (Poto nik 2006a). While the Commission claims that there is a reform consensus¹⁰, it also observes that there is a general need to build trust in science and technology among ordinary citizens. The general public in Europe is seen to become more concerned about the social and economic impact of scientific and technological advances, as well as about how decisions relating to these developments are taken.¹¹

International competitiveness and the University's ability to do good for society are seen to be "held back" by the role historically played by governments (Figel 2006: 7).¹² The state is supposed to have a less dominant role as funder, receiver of graduates, and user of knowledge. There should be governance by standardization, dialogue, benchmarking, and exchange of "good practice". "Soft" methods, such as the Open Method of Coordination, are presented as an alternative to the "hard"

¹⁰ The Commission, for example, writes that "discussions at European level show an increasing willingness to modernize [university] systems, and the agenda mapped out below is not, in essence contested" (Commission 2006b: 4).

¹¹ This is also a theme found in many documents from the Commission and, again, it is a view that is supported by an expert group appointed by the Commission (Ormala et al. 2004: 3).

¹² Here, too, the Commission can find support in the Aho-group: "Alongside the operation of sufficient markets, one significant constraint to the efficient exploitation of research and knowledge lies in the surrounding framework conditions and structures, which today limit mobility and adaptability" (Aho et al. 2006: 22).

laws that cannot easily be used in European coordination of the sector. The accountability of the University to society also requires an external system of quality assurance and accreditation, and a move from state control to being accountable to society and customers (Commission 2005a). There should be external controls through increased competition, externally defined standards and goals, demands for results that can be documented in numbers, and external monitoring units.

Reforms are driven both by the fear of falling behind and by promises of new resources. There is a funding deficit and investments in European universities need to be increased and diversified. The average gap in resources compared to the USA is, according to the Commission, some 10 000 per student (Commission 2006b: 4). As is argued by European Commission President Barroso “Europe’s economic future depends on having the best educated and trained people, with the full range of skills and the adaptability required in a ‘knowledge economy’. That is why we must boost investment in higher education significantly. The Commission is suggesting a target of 2 per cent of GDP by 2010” (Barroso 2006). Obviously, this proposal for a 2% of GDP investment target for higher education has to be distinguished from the 3% of GDP investment target with respect to R&D as agreed upon by the Barcelona European Council in 2002 (Commission 2002b).

Of course, the reform rhetoric is multi-vocal and evolving over time and the Commission is not blind to other aspects than the economic ones. Nevertheless, when a Commissioner sees it as necessary to claim that “I don’t want to give the impression today that I see universities as a purely economic instrument” (Figel 2006: 10), the statement suggests that many observers perceive a dominance of the “knowledge economy” over the “knowledge society”. The statement also acts as a foil to the lack of a systematic discussion of the democratic purposes of higher education (McDonnell et al 2000) and how university reforms may affect the civic and democratic quality of Europe. That is, reform documents give little attention to the possible role of universities in developing democratic citizens, a humanistic

culture, social cohesion and solidarity, and a vivid public sphere. Neither is university reform linked to the Union's "Democratic deficit" and the limited citizens' commitment to the Union as a political community. Furthermore, there is no serious discussion of how a commitment to economic (as well as democratic or social) goals can be squared with academic values and the potential dangers of subordinating the academic curiosity for knowledge and the pursuit of truth to some external agenda. In sum, the role of Academia and Democracy is primarily defined as serving economic purposes and the growth of competitive markets.

The Bologna process: The Bologna process focuses on structural convergence of, and a common architecture for, higher education systems in Europe. To some extent the Bologna process can be seen as, at least initially, an attempt to recover a national and educational sector initiative as a countermove to the power of the Commission and to reforms giving priority to economic concerns. The process also represents an attempt to define a European role in higher education and to give premises from the educational sector a more important place in European policy making (Chapter 7).

In general, ministers responsible for education tend to define European cooperation as a cultural project and they emphasize that the need to increase global economic competitiveness must be balanced with the objective of improving the social characteristics of the European Higher Education Area. Europe's cultural richness, national identities, and linguistic diversity have to be preserved, and educational reforms should take an interest in the region's social cohesion and cultural development (European Ministers of Education 2003, 2005).

The Bologna process has seen an expansion of both the substantive agenda and the patterns of participation and representation. While starting out as an intergovernmental process, "Bologna" has gradually attracted an increasing number of participants and issues. From the start, academia and social partners were not formally participating. University and student associations have, however, become

represented. Likewise, the attitude towards the Commission has changed and the Commission has achieved an increasingly strong role.¹³ Brussels is now interacting directly with universities and a new type of coordination and collaboration has been launched (Chapters 7 and 8).

There has, however, been a gap between intention and the organized capacity to get things done in a coordinated and consistent way, making the road from political declarations to implementation uncertain. For example, there was an “utter absence of any prior assessment into the capacity of national systems to adapt to the Bologna principles and even less whether the dateline set was itself set on any basis other than hunch and ad-hocracy” (Neave 2006), and the lack of a permanent secretariat, an institutionalized administrative executive support structure, and independent resources has opened for Commission influence based upon relatively modest support in terms of money and staff. Therefore, while the Bologna process was initiated as a countermove to EU and external sectors, it has increasingly become dependent upon the Commission and its definitions of problems and solutions. The Commission from its side links the Bologna process to its own actions in the field of education and training by stating that the Bologna process “contributes actively to the achievement of the Lisbon objectives and is therefore closely linked to the ‘Education and Training 2010’ work programme” (Commission 2006d) (Ch. 7)

The Magna Charta Universitatum: The Magna Charta of European universities (1988), together with institutionalized rector-conferences and cooperation between individual universities, research groups and professional associations, are examples of

¹³ According to Uniforum, the newspaper of the University of Oslo, at the 2005 Bergen meeting of Ministers, the Norwegian Minister of Education rejected a proposal to give the EU control over the Bologna process. The newspaper quotes Minister Clemet as having stated that “A proposal came up to make the Bologna process an EU process, but I made it clear that this proposal was not acceptable. That marked the end of the rivalry that has existed between the European Commission and the Bologna process. The continuation of the Bologna process after 2010 will also not become an EU project” (Uniforum 20 May 2005:

<http://wo.uio.no/as/WebObjects/avis.woa/wa/visArtikkel?id=22304&del=uniforum>).

ongoing trans-national processes (Ch. 2). In the *Magna Charta*-process University rectors have been the main participants, and rather than seeing the University as a tool for economic and social goals it has been conceptualized as a specialized, rule-governed institution with a constitutive academic identity, purposes, and principles of its own. The University is a trustee of the European humanist tradition. “The Humboldtian model” and its embeddings in the *Kulturation* (Ch. 3), more than the economy, are celebrated and not scorned. While the term is used in different ways in different contexts it is often advocated as a bastion against a new order based upon commercial capitalism and the commercialization and commodification of research and higher education.¹⁴

The European University is mainly seen as a public institution, rooted in the Enlightenment, and serving the common good. Teaching and research are inseparable and an important task is to encourage individual intellectual and moral development. The aim is to form individuals in academic-humanist attitudes and make them informed and responsible citizens. Consequently, academic autonomy, freedom and authority must be protected against all arbitrary external interference. The search for truth is based upon the belief that knowledge is most likely to be advanced through free inquiry, validation through peer review, independent expertise, and organized public skepticism. To be “useful” in generating and disseminating objective knowledge, there must be academic freedom of inquiry – the right to fearlessly question the received wisdom and publish the result even if it is controversial and may harm political, economic, religious, military, and other, power groups.

In one important respect the *Magna Charta*-process goes beyond the European perspective found in the other reform processes. The Commission, for example, takes it as given that there is a shared European identity. In this perspective

¹⁴ See Observatory for Fundamental University Values and Rights (2002) and Chapter 2 in this book. For a more general comparison between market values and educational values, see McMurtry 1991: 216.

researchers' mobility out of the EU is assessed as brain-drain to be counteracted, while mobility within the EU is seen as positive and to be encouraged (Poto nik 2005). In the Charta-process, in contrast, the main tendency is to see knowledge as global, to be searched wherever it is to be found. Increased cooperation and mobility between universities are encouraged in particular, but not only in Europe. Many non-European universities have also joined the Charter and an objective is to increase mobility and exchange of knowledge across *all* geographical, political, cultural, religious, economic, and social borders.

The conclusion is that while one view has a dominant position in reform documents and speeches, there are competing views. This impression is also documented when the Commission asks stakeholders to comment upon policy documents and ideas, for example, with respect to its vision of a "Europe of knowledge" (Commission 2004a, b). As will be documented in the following chapters, attitudes, perceptions and reform rhetoric usually reflect the actors' different institutional belongings and positions. They also tend to be differently colored by different organized contexts in which processes take place. Therefore, actors are not necessarily consistent. For example, it cannot be taken as given that professors and universities will always be carriers of academic principles and values, when both researchers and universities increasingly have commercial interests in their research and teaching (Nelson 2005). University rectors may say different things in the context of the Magna Charta and in fierce competitions for funds, and so may other actors.¹⁵ As a consequence, coalitions across levels of governance, institutional spheres and groups of actors can be hypothesized.

¹⁵ For example, the European University Association (EUA) combines elements of the Commission rhetoric and the Magna Charta rhetoric: "Mission diversity, strategic capability, and accountability can only be developed if universities have the freedom to do this. The higher education system must therefore be based on autonomous institutions, with freedom to control and manage their own resources and to compete as well as collaborate, accepting the responsibility to make the most efficient use possible of the resources they command; this require that universities are trusted to act responsibly. Old state bureaucratic systems which prefer control over trust must be swept away so that universities can respond rapidly and efficiently to the needs of society and the economy" (European University Association 2006: 3).

A paradox

The book addresses both the reform debate and the actual university dynamics. It asks: Why has half a century of unprecedented growth and change in European universities not eliminated, or at least reduced, the claim that new radical reforms are urgently needed? The phenomenon – that reforms tend to create a demand for new reforms rather than eliminating the felt need for them – is well known in the general reform literature (Brunsson and Olsen 1993). The observation, therefore, invites the questions: if the earlier reforms have been unsuccessful, why is this so and what can be learnt from the fate of earlier reforms? Do they illustrate another case of the triumph of hope, conviction and passion over reason and experience? We explore to what degree the weakness of the knowledge base of university reforms may provide a partial explanation of the lack of success, and we start out from an apparent paradox.

Reform plans aim at making universities better instruments for the “knowledge economy” or in the words of the Commission the “Europe of knowledge” (Commission 2003a). The role of research-based knowledge in policy making and implementation processes in general is also emphasized (Commission 2000a: 6). Nevertheless, there are large gaps between the claims made and the solutions advocated by reformers, and the quality of the evidence they have forwarded. University reform policies are to a considerable extent based on belief systems and a set of commitments where key assumptions are problematic and unverified by theoretically oriented, empirical research. Performance, for example, is usually attributed to organizational properties of European universities, rather than being documented, based on a systematic analysis of the widely varying organizational configurations called “universities” or “institutions of higher education”.

The book addresses this paradox and aspires to contribute to a better theoretical and empirical basis for understanding the institutional dynamics of the European University. Contra the determinism of the TINA-syndrome (“There Is No Alternative”),¹⁶ it is argued that the dynamics of European universities cannot be understood solely in terms of environmental necessities and functional improvement. Contra the European focus, it is assumed that there may be local, regional, and global identifications, as well as European ones. Contra the idea of widespread consensus and the avoidance of references to conflicting priorities and political struggles over what is the problem and what is the best remedy, attention is called to the politics of university reform and the fact that reformers usually have to encounter and overcome opposition.

A politics of University reform is relevant because processes of change impact the distribution of benefits, burdens and life chances and create losers as well as winners. There are competing legitimate interests and several lines of conflict when it comes to what universities should do and how they should be organized and governed (Ch. 2). University dynamics may include struggles over competing concepts of the university and its role in society, for example, university autonomy, differentiation and stratification within the system of universities, the relative priority of “world class” aspirations and massification, the balancing of economic, cultural and critical aspects of universities and of what research and education should be for sale and what should be freely available to all.

Likewise, there may be conflicts over the relative importance (or even survival) of higher education and research as policy sectors of their own versus these sectors becoming a net recipient of premises from other sectors, and consequently the relative power of ministries/ministers/Commissioners responsible for education and

¹⁶ “Confronted by fundamental challenges in our external environment with the entrance on the world scene of major new emerging economies, and in our internal environment by ageing populations and new technologies that change our way of life, we have no other choice but to embrace modernization” (Soete 2005:2).

research compared to other ministries/ministers/Commissioners. Furthermore, there may be conflicts over the use of different instruments of steering, the role of the territorial state compared to other levels of governance and to different types of societal actors, and over what should be paid by general taxes, families, buyers of research and education, and external stakeholders.

Strong convictions, weak evidence

In reform documents and debates there is an abundance of fashionable assumptions, terms and doctrines about how the internal and external organization and system of governance affect university performance. These assumptions have come to be widely believed, yet they have rarely been examined in a systematic manner. Popular conceptions of how a good University or good University governance is supposed to operate are loosely coupled to theoretically informed, empirical studies of how universities are actually organized and governed, how they function, and how they change.

Rather than being driven by the ideal of clear goals, solid causal knowledge, and control over processes and outcomes, the European reforms are haunted by two ghosts: “the American Ivy-League University” and (the American) successful private enterprise and its assumed style of organization and governance. The first defines the crisis of the European University and is organized around the question: Why is there no Euro-Ivy League (Science 2004: 951)? The second presents the solution: European universities have to become more like private enterprises operating in competitive markets, or rather, more like how markets and private enterprises are portrayed in economic and managerial text-books.

In spite of the strong convictions among (many) reformers that problems and solutions are clear and agreed-upon, reform debates and actual reforms are to a limited degree founded on clear, consistent, stable and agreed-upon success criteria.

There are many, shifting and not necessarily operational and consistent goals. While the “European knowledge economy” is often used as a frame of reference, this is usually done without a discussion in some detail of what role the University (or higher education as a whole) is expected to play in the knowledge economy. There is no specification of what, from that perspective, the main problems of University functioning are that the reforms need to address. Aspiration levels often seem unrealistic and there are only vague ideas about how reform plans can be implemented. Examples are the goal to make the EU the most competitive and dynamic knowledge based economy in the world by 2010 and the idea that two thirds of the stipulated 3 % of EU GDP investment in research will come from the private sector. Absent is an analysis of whether the European pattern reflects political priorities and a model of society that includes other success criteria than economic utility, competitiveness and growth, rather than some defect to be remedied through radical reform.¹⁷

The general worry about “global competitiveness” is primarily focused upon the European research-intensive University. Based on indicators and statistics, especially international rankings, but also on statistics such as the number of international students in Europe, the number of European students in Australia and the USA, and

¹⁷ For example, *Science* argues that the goal to create American-style research universities goes “against the grain of European egalitarianism” (Science 2004: 951). It is also argued that “European society with its high level of social welfare has undoubtedly more difficulties in managing change” (Soete 2005: 13). However, the Commission also argues that “Europeans are attached to a model of society based on a combination of a market economy, a high level of social protection and quality of life, and a number of principles, such as free access to knowledge. They are also aware of the richness of their cultural diversity and sensitive to the need to preserve it” (Commission 2000a: 20).

Like many other actors, the Aho-group argues that competitive markets and economic performance is a precondition for welfare and social security and cohesion. Yet, different from many other actors, these factors are not seen as a sufficient means: “A market-led vision does not mean an abandonment of what is distinctive about European values but rather the use of the force of the market to preserve them, both by harnessing innovation to engage with public services and by creating the wealth necessary to finance the equality, health, social cohesion and common security that our citizens desire. Investment in education, science, research and innovation should not be seen as alternatives to investments in the welfare society in Europe, but as necessary though not sufficient means to ensure its sustainability, albeit through a reformed social model conducive to innovation.” (Aho et al. 2006: 6). For the view that it is social cohesion that contributes to economic success, see Chapter 7.

the number of European academics in US universities, the view dominates that the European University is lagging behind. The arguments related to the perception of lagging behind are expressed by European level actors as well as rectors and national politicians and bureaucrats. Reform is promoted as the means through which European universities can compete (again) with their US counterparts. What is lacking is a thorough analysis of the “lagging behind situation”. The arguments for reform are presented towards the higher education sector as a whole, while the research-intensive universities only make up a small part of the some 4000 institutions in the sector. It is seldom explained how the “lagging behind situation” and reform arguments refer to the other institutions. Which groups of European universities are “underperforming”; what are the nature of and the reasons for their bad performance?

Weak and ambiguous data are in general often used for strong conclusions. Yet there is little research-based causal knowledge and empirical evidence concerning how university organization and systems of governance actually contribute to performance. Evaluation and impact studies are generally conducted too early for major impacts to be evident (Ormala et al. 2004: 5) and lacking is a serious discussion of the methodological difficulties of widely trusted ranking exercises and quality assessments (Cavallin and Lindblad 2006). There are also unclear concepts and problematic methods. As is indicated by Teichler (2000: 4) “Paradoxically, many politicians and administrators in this field as well as the academic profession itself, while trying to persuade society that systematic scholarship is superior to practitioners’ experience, are most skeptical about the value of scholarship and research if it comes to their practical turf, i.e. higher education.”

Furthermore, while no single group of reformers has the authority or power necessary to control reform processes and outcomes, the power-relations relevant for successful reform, are rarely analyzed. The myth of an existing, or previously existing, government command and control system is taken for granted without a

careful documentation of what the historical and existing order was like and how different it is from an emerging new settlement (Ch. 4). However, the unsuccessful attempt to found a European University (Corbett 2005) indicates the complexity of power distributions in this policy field and so do the Bologna process and the Lisbon strategy. The use of the Open Method of Coordination (OMC) indicates the current limits of supranationalism and suggests that vagueness about what OMC means and what the method is assumed to, and can in fact, accomplish in different contexts, may be a necessary condition for agreement (Ch. 8). Likewise, the uneven implementation of the Bologna process (Tomusk 2006) and the uncertainties of the Lisbon strategy illustrate that actors without authority can rarely rely on (coercive) power. The causal chain from political intention and declarations to implementation can easily be broken or weakened and building support and mobilizing partners is a key process in University reform.

In conclusion, rather than being based on firm evidence, the discussion of remedies to a considerable degree reflects the world-wide dominance of elite US universities. Many governments and universities have pronounced that they want to emulate the top ranked US universities, thus opening up for the possibility that “Europeanization” in practice comes to mean “Americanization”. The possibility is real enough to make it necessary for the Commission to explicitly deny that the EU is just importing the American model and to claim that proposed reforms means adapting to the particular circumstances of Europe (Commission 2006c: 7).

Instead of making a careful analysis of how American elite universities are differently organized and governed, proponents of European university reform usually refer to an imagined US business model, as carried around the world by a multitude of consulting firms and international organizations.¹⁸ Often this recipe advocates a “one

¹⁸ Nevertheless, also in the USA there is a perceived need for reforms. It is, for example, argued that: “Many university presidents believe that the greatest challenge and threat to their institutions arises from the manner in which their institution are governed both from within and from without” (Duderstadt 2002: 10). There is a perceived need for “Stronger Leadership for Tougher Times” (Association of Governing Boards of Universities and Colleges 1996). “The View from the Bridge” is that strong visionary leadership

size fits all” reform approach – general remedies that ignore variations in history, cultures, experiences, and institutions. For example, the Search for Excellence-reform rhetoric, developed in the context of American enterprises and now also popular in EU rhetoric, suggests a standard recipe across a variety of different contexts, without an analysis of what are the problems, how the different systems to be reformed actually work, and the wider political, economic, social, and cultural conditions in which reforms are to take place.

In this literature, the key to success is to respond to perceived performance failure by imitating more successful peers. The method is to isolate the characteristics of organization and management that are believed to make an organization successful. For example, in their “*In Search of Excellence*”, Peters and Waterman (1982) presented eight lessons from the successful and presumably best run US companies. The book became a bible for American business managers and a great sales success. Nevertheless, its lack of an adequate methodology was also heavily criticized. The book was “distilling experience into platitudes”. Myths were held to be truth and assumptions were untested (Barabba et al 2002: 6, 7).

Time has also proved it difficult to identify a single and enduring organizational panacea to complex tasks across a variety of political, economic, social and cultural contexts. It has also been shown that quick fixes based on contemporary success turn out to be problematic in the long, and even in the not-so-long, run. A growing literature on benchmarking, i.e. normative emulation (compare oneself to others with whom one has contact) and competitive mimicry (adaptive emulation to successful peers where causal relations are not well understood), has documented the centrality of the success-story. Success stories dominate business discourse to the virtual exclusion of close theoretical and empirical analysis of the many potentially

is desperately needed and that leaders currently have more responsibilities than authority and power (Duderstadt 2002). In addition, issues such as the affordability of higher education, and the disparities between social groups in access to higher education have become major policy issues in the US promoting a different reform agenda than in Europe (see, for example: Kelly 2005).

spurious interrelations between performance and specific organizational properties (Strang and Macy 2001: 155). Novel success stories routinely arise, yet often a recipe rises to prominence rapidly, maintains support for a modest period of time, and then disappears (Strang and Macy 2001: 162).

While simple solutions to complex problems tend to be popular also among reformers of European universities, there is little hard evidence showing that New Public Management reforms have successfully contributed to academic success (Amaral, Fulton and Larsen 2003: 292-3). The conditions for perfectly functioning markets assumed by economic text-books are difficult to achieve in higher education (Geiger 2004) and there are a number of flaws in the interpretation of this vision in the current reform debates. For example, the ideal of the “private service enterprise in competitive markets view” held up for the European University has come primarily from American economists’ studies of American universities. Even if Europe increasingly embraces market-driven, consumer-oriented practices, it is far from obvious that this recipe fits European conditions, with a history of public responsibility, social agenda, equity concerns, and socio-cultural commitments (Chapters 5 and 6).

Making sense of “the most magnificent form of cultural institution created by the European mind”

These observations suggest that there is neither a generally accepted analytical framework nor a solid data-basis for thinking about and explaining the processes, determinants and consequences of change in the European University. There is relative little research-based evidence when it comes to how university performance and development may depend upon how the University is organized and governed, including the factors that affect the likelihood that deliberate design and reform will be a dominant process of change. Much remains to be known about the types of

change that have taken place in European universities, the processes through which change has occurred, and the determinants and consequences of change for university performance.

First, how much, and what kinds of, change have there actually been in university organization and governance and in the authority and power over the European University? For example, what changes have occurred in the relations between individual academic freedom, elected leadership and professional management, and in the relative importance of disciplinary versus task-oriented organization? What has happened to inter-university relations? Have there been more differentiation and stratification and more hierarchy, so that universities must develop highly diversified profiles before “taking their place in a system of higher education institutions” (European University Association 2006: 2)? What changes have taken place in the external organization of universities? Has university autonomy increased or decreased? Have there been significant changes in the (power) relationships between the University, government and society and who can legitimately act on behalf of the University and society? Has there been a disintegration of the relationship between the state and the University - have public authorities been abdicating, retreating, or simply regrouping and inventing new methods of intervention? Have specific social and economic interest groups increased their influence? Has the autonomy of the educational sector, as a sector with the responsibility to organize, store and transfer knowledge, decline or increase, making it a net receiver of premises from (and an instrument for) other sectors, or a net exporter of premises to other policy sectors? Has there been a development from higher education policy. to a knowledge policy governed by economic goals? Have the boundaries between policy sectors been more blurred, or have they collapsed? Has the relative importance of different instruments of governance changed - have legally enforceable decisions become less important compared to financial and budgetary policies, different “soft” instruments of coordination and voluntary pooling of resources, benchmarking, monitoring, and shaming? Finally, to what degree has

there been a “Europeanization” of the universities, and if so, in what meaning (Olsen 2002)? Have, for example, changes in the ways European universities are organized and governed implied an “Americanization”?

Second, compared to other processes of change, what has been the relative importance of deliberate institutional design and reform? Whose definitions of problems and solutions have been accepted as a basis for collective decisions? How has support been mobilized and around which lines of conflicts have coalitions been built? Compared to other determinants of change, how much change can be accounted for by European-level policy making and to what degree is European university dynamics still primarily taking place within the traditional territorial, nation state context? How much is European-specific and how much is more global, reflecting general institutional ideologies imported from other sectors?

Third, is there a performance crisis and, if so, according to what success standards? What have been the impacts upon university performance of change in university organization and systems of governance, in particular upon the quality, amount, and type of research and education taking place, and for its development patterns in general? In retrospect there has, for example, been little evidence showing that the democratization of European universities during the 1960s and 1970s made them more adaptive and responsive to social needs (Ch. 5). To what degree, then, is there any evidence that more recent reforms driven by economic concerns have had any positive effects in terms of improved scholarly or economic results? How have the democratic and social purposes of education been taken care of, and how have reforms affected the confidence citizens have in the University? What kinds of mentalities and characters have the reforms selected or formed? What have been the implications for the University’s ability to learn from own and others experiences and adapt to new circumstances?

Finding answers to such questions requires “independent” voices in the current reform debates that are able and willing to challenge the dominant reform rhetoric and the assumptions upon which it is build. From this perspective it may be asked whether the universities, through their representative body, the European University Association have developed a too close relationship to the Commission. It may be asked why the academic representative bodies have been mainly silent at the European level, and why most researchers on higher education have until now not taken the challenges with respect to the need for a better theoretical and empirical basis for understanding University dynamics seriously?

There are many unanswered questions, yet the aspiration of this book is modest. The aim is to suggest elements of a possible analytical framework and a way to think about the institutional dynamics of change of the European University, to provide some empirical observations relevant for this framework, and to suggest a research agenda (Ch. 9). Our theoretical approach to institutions and institutional change starts out from the assumption that governance and reform of the European University mean intervention in, and through, complex institutional structures and evolving patterns of behavior, meaning and resources, and that the organization and history of these institutions make a difference for both policy making and the institutional dynamics of change (March and Olsen 1989).

Modern European societies can be described as configurations of partly autonomous institutional spheres, founded on different principles and logics of appropriate behavior which are sometimes in balance and sometimes invading each other or colliding (Weber 1978; Olsen 2007). This perspective suggests that actors’ institutional belonging, positions and roles are significant factors explaining the modes of thought and behavior (March and Olsen 2006a, b). For example, faculty, students, university leaders, and administrators are likely to hold different views. Presidents, prime ministers and economic ministers and Commissioners are expected to be carriers of different definitions of problems and solutions than are ministers and

Commissioners responsible for education and research. Acting and thinking about universities, university reforms, and the role of higher education, is furthermore likely to take color of at which level of governance and in what institutional context it is taking place. Supranational, intergovernmental and transnational processes are expected to provide different settings and to prioritize different definitions of problems and solutions, and so are higher education and research as policy sectors compared to other policy sectors.

An institutional perspective also hypothesizes that institutional change will be path dependent and that history is “inefficient” in the meaning that well-entrenched institutions do not easily and costlessly adapt to changes in their environments or deliberate reform efforts that are inconsistent with existing institutional identities. This perspective stands in opposition to attempts to modernize the European University by assuming that an organizational recipe can be exported across political, economic, social and cultural contexts and downplaying the importance of history and institutional traditions.¹⁹

Making sense of the institutional dynamics of the European University, therefore, has to take into account that the University is strongly embedded in history. The long history is one of more than 900 years of developing the University as an academic institution with foundational principles and rules of its own, yet in cooperation, collisions and struggles with other institutional spheres and powerful groups. The specific postwar history in the European Community/Union context is characterized by the priority given to economic recovery after the war and the European Union as primarily a market-building project. For example, when Walter Hallstein proposed a European University and a “common market of intelligence” and argued that such a “market” would accord with the concept and tradition of a

¹⁹ For example: “The world is indifferent to traditional and past reputations, unforgiving of frailty and ignorant of custom and practice. Success will go to those individuals and countries which are swift to adapt, slow to complain and open to change” (Schleicher 2006: 16).

university, “the most magnificent form of cultural institution created by the European mind”, he did so in a section on “Industrial policy” (Hallstein 1972: 200).²⁰

In an attempt to get beyond the currently dominant reform rhetoric and possibly capture alternative prescriptions and descriptions of the European University and its dynamics, the book starts out from four visions, or models, of university organization and governance that assume different constitutive logics, criteria of assessment, reasons for university autonomy, and dynamics of change. The four are the University as:

- A rule-governed community of scholars.
- An instrument for national political agendas.
- An internal representative democracy.
- A service enterprise embedded in competitive markets.

The four visions are introduced in chapter 2 and then elaborated in the four subsequent chapters (3-6). Each vision can be imagined to describe how the University operates, reform decisions are made, and change happens, or they can be used to justify or criticize processes of decision-making and change. Advocates usually claim that their favorite model generates superior performance, while the critics usually foresee a performance crisis following from the same model.

Together, the four models allow us to explore the relative importance of authority based on scholarly merit, representative democracy, work place democracy and internal power resources, and market performance. They also allow us to inquire the relative role in reform behavior and change of academic rules and principles,

²⁰ The original German text is: “*Wir brauchen den ‘gemeinsamen Markt der Intelligenzen’*. Was entspricht mehr der Idee und der Tradition der Universität, die doch die grossartigste Schöpfung des europäischen Geistes auf dem Gebiet der kulturellen Institutionen ist” (Hallstein 1969: 258-59)?

governmental hierarchies, bargaining among interested parties, and competitive markets. Rather than assuming a single trend and institutional convergence, driven by global competition and strategic choice, evoking university dynamics as a relation between some “forerunners” and others “catching up”, an institutional perspective invites the question, whether there are any general trends and whether there is convergence at all. Or whether variations in state- and university traditions, identity, and resources matter for trajectories, responses and outcomes, creating heterogeneity and variation affected by different historical starting points, institutional identities, and path dependencies (Hood et al. 2004).

From an institutional perspective, then, a challenge is to explore to what extent each model can help explain important aspects of the ongoing reforms and changes in European universities, including variations between different types of universities, disciplines or departments, specific activities (research, education) or issue-areas (budgets, faculty recruitment, student enrollment), developments in specific countries or regions, and in specific historic periods. In particular, if there has been a trend towards the service enterprise embedded in a competitive markets-model and away from the three other models (the University as a rule-governed community of scholars, an instrument for national political agendas, and an internal representative democracy) what are the main conditions favoring such a development?

In a situation where the European University finds itself in an ecology of competing and not easily reconcilable expectations, demands and constituencies across levels of governance and institutional spheres, university dynamics can be hypothesized to include several different processes of change, more or less loosely coupled. Processes such as deliberate design and reform, competitive selection, experiential learning, rule driven change systems, and political processes of argumentation and bargaining can be expected to have shifted in relative significance over time, sometimes reinforcing, sometimes counteracting each other. The Bologna and Lisbon reform processes also document that two processes with different starting points over time

have become blended (Chapters 7 and 8). While these two reform processes have been dealt with in two separate chapters, the *Magna Charta Universitatum* is not treated in the same way simply because there has not been a similar European political follow-up of this initiative. Arguably, the recommendation from the Parliamentary Assembly of the Council of Europe on academic freedom and university autonomy (30 June 2006) is the first significant political support at the European level for the Magna Charta.²¹ In the recommendation it is referred to the role universities have played in the European humanist tradition and the importance of university autonomy and individual academic freedom for fulfilling this role. It is also argued that “The social and cultural responsibilities of the universities mean more than mere responsiveness to immediate demands of societies, to the needs of the market, however important it may be to take these demands and needs into account” (Council of Europe 2006).

Rather than purifying each model and pitting them against each other; rather than assuming that University dynamics can best be explained either with reference to changing environments or to internal processes; and rather than taking as given that explanatory frameworks must assume either consensus or conflict, the research challenge is to improve our understanding of how such processes interact, sometimes with unexpected consequences for both participants and on-lookers (Moen 1998; H. Olsen 1998; Ugland 2002; Witte 2006). In the end, the question of whether and how the European University is changing has to be supplemented by the question whether the way in which the University changes is also changing – whether increased complexity, confluence of processes of change at different levels of government and in different sectors possibly are creating a new type of dynamic.

²¹ The Assembly resolves to cooperate with the Observatory of the Magna Charta Universitatum in monitoring the observance of the principles of academic freedom and university autonomy in Europe. The Assembly also recommends that the Committee of Ministers should strengthen its work on academic freedom and university autonomy as a fundamental requirement of any democratic society and invites the ministers to require recognition of academic freedom and university autonomy as a condition for membership of the Council of Europe (Council of Europe 2006).

From an institutional perspective, one possibility is to view each of the four visions as part of a set of independent constraints that viable reform proposals have to meet (Cyert and March 1963). In one period one vision may generate new solutions, while the others act as constraints (Simon 1964). In other periods the roles may be changed. For example, during the late 1960s and early 1970s the traditional balance between government authority and professorial autonomy (Chapter 3 and 4) were challenged. Democratic models giving formal representation to all involved groups were the main generators of change, while the others provided constraints on what reforms were actually implemented (Ch. 5). More recently, the service enterprise in competitive markets-model has been the prime reform generating force, while the three others have provided the constraints (Ch. 6). One hypothesis, furthermore, is that the more consensus and common understanding, the more willingness there may be to leave decisions to universities and to higher education as a policy sector. The more conflict there is, the more likely that there will be competing demands for representation and participation in reform processes and in University governance in general.

Stylized visions as those presented in chapter 2 will under some conditions and in some historical periods capture important aspects of how universities are organized and governed and how they change. Under other conditions and in other periods things are more complex. As is argued in chapter 3 institutional change is not an instant shift from one stylized form to another – a historical development that can be characterized as a “revolution”. There are many actors and driving forces and uncertain consequences and complex mixes of principles and organizational forms.

An institutionalist credo is that there are no universal and permanent answers to how to best organize and govern formally organized institutions. Given the well-known difference between the ability to change formal structures and the ability to achieve desired substantive results (performance), there is a need for detailed studies of how far into the University’s core activities – its work organization, practices of research

and teaching, and the knowledge produced and transmitted – have European reforms penetrated. Possibly, there has been more convergence in reform rhetoric than in actual reforms and (even more so) in University practices, inviting questions about the consequences of possible tensions between University reform rhetoric and University practices? Then, what are the consequences, in terms of different and competing success criteria, of using each model of organization and governance under different conditions, and in particular under conditions that deviate strongly from the ideal conditions assumed by each model?

A hypothesis is that reform strategies that reduce the complex set of roles the University has performed historically in the national context to solely an economic role in the European context is unlikely to be successful. Most likely any attempt to purify a single model will mobilize countervailing forces in defense of the other visions and increase the level of conflict. That is, we are likely – again – to experience that reforms create demands for new reforms, rather than eliminating such demands.

Finally, studies of how European integration and cooperation impact the dynamics of the University and higher education as a policy sector are important in themselves. In addition such studies can also contribute to an improved understanding of the conditions for European cooperation and integration in general. First, because these studies explicitly focus upon (also) the institutional level, while mainstream integration literature is concerned with the relationship between the European and the national level. Second, because the mainstream literature focuses on economic integration, while studies of the European University will illuminate how cultural integration may be more politically sensitive, follow different trajectories, and lead to different results, and therefore may provide a basis for more interesting theoretical ideas about the prerequisites for and constraints upon European cooperation and integration.

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