



| LEAD ARTICLE

THE CRITICALLY ENGAGED UNIVERSITY OF THE FUTURE

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It is tempting to argue that despite decades of neo-liberalism and the associated

corporatisation of the higher education sector, Australian universities remain

fundamentally public good institutions engaged in social transformation in tandem with the generation of equitable opportunities for an increasingly wide range of individuals. This is a well-established public position and my standard mantra, but in this article, as others have done before me, I suggest we need to more closely interrogate and test this proposition. I question whether our organisational objectives, cultures, language and even our leadership and governance structures are taking us on a path that increasingly diverges from the public good and erodes our potential to contribute to civil society. As large and complex institutions, have we lost the ability to define the path we are on and even to find the time to check our compass? Are we at a tipping point when we need to ask whether we should radically change our institutional ‘ways of being’ to refocus on being an engaged and sustainable sector with a critical civic role that frames our purpose?

If we are profoundly public good institutions¹, why is our public good role not always given prominence in our institutional narratives, our strategic plans, in the partnerships we forge, our branding or indeed the appointment of our leaders and governance committees? And why, when our public good role is given prominence, does it generate an ambiguous set of expectations because we simultaneously send mixed messages about who we are as institutions, our place in the education 'market' (Marginson and Considine, 2000) and whether the public can access our considerable resources or whether they can only do so through payment of a range of fees and charges,

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Should we be questioning whether our metamorphosis as a sector has been more profound than we like to imagine - a compounding set of changes that play off one another to transform us and our relationships with our students, our staff and our communities?

¹The conceptual framework for this paper was developed as a contribution to, and has been informed by discussion at, the UTS Symposium Advancing the Public Benefit of Universities, Sydney December 2017.

²Deloitte, PricewaterhouseCoopers, Ernst & Young and KPMG. According to Professor Ian Gow in 2016 these firms employed almost one million staff globally (Gow and Kells, 2018).

³Shore and Wright (2018: 4) argue that audit firms have aligned themselves with the 'heartbeat of capitalism'.



or only in economic relation with us as business, commercial or philanthropic partners (Bell, 2017, 16-18).

Should we be questioning whether our metamorphosis as a sector has been more profound than we like to imagine — a compounding set of changes that play off one another to transform us and our relationships with our students, our staff and our communities? Have we become passive players in a larger politic in which we fail to exercise the agency expected of institutions that harbour such significant social and intellectual capital and have such a huge role to play in addressing social and economic inequality and in promoting social pluralism? Have we, like the ‘Big Four’ accountancy companies², aligned ourselves with the generation of economic capital at the expense of social capital and contribution to civil society?³ Should we interrogate our trajectory to examine whether we are similar to the ‘Big Four’ who trade on their status as guardians of proberty while increasingly blurring the boundary between their public watchdog role and their commercial interests (Shore and Wright, 2018: 1-3)? Do universities trade on our status as public good institutions whilst increasingly blurring the boundaries between our role as public providers and entrepreneurial institutions driven by commercial imperatives? Are we not formally ‘for-profit’ but, in the context of declining and increasingly contested government funding⁴, pre-occupied by revenue generation and promulgation of the case for the economic contribution of the higher education sector as our cause célèbre’.

As has been noted elsewhere⁵, in Australia

the ‘Big Four’ consultancy companies have been active in the higher education sector since the early years of this century when the conservative federal government commitment to ‘small government’ and competitive tender processes saw expenditure on consultants rise as Australian Public Service staffing levels fell. These companies bring political capital to the higher education sector as ties to government have become deeply embedded along with rapidly growing business opportunities. They also generate confidence in university governing boards, especially as in Australia these boards are now dominated by corporate leaders⁶.

Peter Drucker (1991) has observed that:

Outside advisors brought specialised knowledge, not otherwise available, into organisations that faced problems that internal staff members could not easily resolve. In particular, executives decided whether or not to employ external advisors based on two distinct pre-conditions. Firstly, that the underlying problem be brief, specialised and nonrecurring, thus making the alternative – an internal analysis of the topic – both slow and costly. Second, that the potential consultants had experience with similar cases through

⁴ Revenue sourced from Australian Government grants (excluding HELP) has declined from 41 per cent in 2004 to 39 per cent in 2016 (Universities Australia (2018).

⁵ Howard Beale, ‘Administration expertise at university VC’s fingertips’ in The Australian Higher Education Supplement, August 29 2017.

⁶ The Howard government introduced federal governance protocols under the Higher Education Support Act (2003) which universities needed to satisfy to qualify for moneys under the Commonwealth Grant Scheme.





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An alternative narrative might be that, as path dependency is most likely to occur when there is complementarity in structural and cultural systems, perhaps Australia's public universities are diverging from that established path, the public path – owned by the state but self-governing – with the attendant responsibility to contribute to the public good of the nation, or at least their local region⁷.

previous assignments in the industry, either because of the consultants' knowledge of a functional speciality, or because the consultants had performed a similar study for a competitor. Thus management consultants were, in this first incarnation, idea- or knowledge-brokers who solved administrative problems, not through their innovative solutions to unusual questions, but rather through the application and reformulation of existing knowledge to known problems (cited in McKenna 2006:13).

For the professional services companies, higher education in the 21st century arguably offers a similar remarkable opportunity to that afforded by governments attempting to define themselves as 'small' – with one caveat – universities meet none of the pre-conditions that underpin the need for external consultants. Universities are large and complex institutions housing a huge amount of intellectual capital and professional expertise, and most of the problems they face could effectively be resolved by drawing on the collective intelligence and extensive experience of staff members and students.

What then is the attraction of the large professional services companies? Apart from the political capital and 'business acumen' they bring, is it that the structural form and collegial governance structure of the academic departments of universities, where resident 'experts' reside, does not mimic, or only partially replicates, the business structures and managerial repertoire that the professional services companies sell? Do university leaders and managers find it difficult to ascertain how to tap in to

their organisation’s intellectual capital in ways that would generate confidence that institutional priorities would be better articulated and informed? Are they also skeptical about the possibility of outcomes being generated and problems being solved within timeframes suited to managerial imperatives?

THE EMERGENT IDEA OF AN AUSTRALIAN UNIVERSITY

Professor Glyn Davis (2018) argues that a series of ideas for an Australian University circa 1850 proved intelligent responses to local needs and understanding that has endured, evidencing ‘path dependency’ that speaks to Australian metropolitan values:

In time, those founding ideas have been reinforced by the preferences of Australian students for professional programs, by academic norms about the character of a university and by public policy that imposes homogeneity...A single idea of a university has ensured that any new public university resembles those already operating. (2018:30-31)

An alternative narrative might be that, as path dependency is most likely to occur when there is complementarity in structural and cultural systems, perhaps Australia’s public universities are diverging from that established path, the public path — owned by the state but self-governing — with the attendant responsibility to contribute to the public good of the nation, or at least their local region⁷. Over the past three decades have an unsympathetic policy environment and unstable funding regimes, together with the dominant neo-liberal zeitgeist, taken us off that path?

Professor Margaret Thornton, drawing from

her Australian Research Council project on the impact of corporatisation of the university on the legal academy, argues that:

Instead of higher education being regarded as a public good, which is provided by the state, we have moved to a quasi-private user pays system. I say ‘quasi-private’, because it is the state that is orchestrating the change and transforming education into a commodity; there is no invisible hand at work here⁸.

The higher education sector is now characterised by clashing cultures, more likely to generate change than continuity⁹. Some, universities, perhaps the lean and hungry, will follow paths of adaptive change; some will draw on their massive social capital and status to entrench their powerful position and retain a mode of operation that resembles the status quo; and others may fragment to cater to the very different learner needs that have emerged within a high participation system. Some, the essentially scholarly, may even be able to continue to support ‘the life of the mind’.

Are these nascent divergent paths, why, much to our chagrin, we can be depicted

in Ernst & Young’s most recent foray into imagining the University of the Future (2018:5) as a value chain¹⁰, subject to

‘unbundling’ to maintain competitive advantage.

Is this metamorphosis and resulting ambiguous status also why the case for the development of the Commercial University is seen by Ernst & Young as ‘the most likely case’:

...evidencing greater specialisation of providers who “play to their strengths”, whether that be in particular research,

⁷ A responsibility formally enshrined in university Acts of incorporation.

⁸ Thorton, M. (n.d.)The Governance Trap And What To Do About It, https://www.fabians.org.au/universities_the_governance_trap_and_what_to_do_about_it

⁹ Peters et al (2005:1276) argue that political conflict is a means of initiating change in an institutionalist framework. In particular, conflict over ideas and policy is important for motivating change.

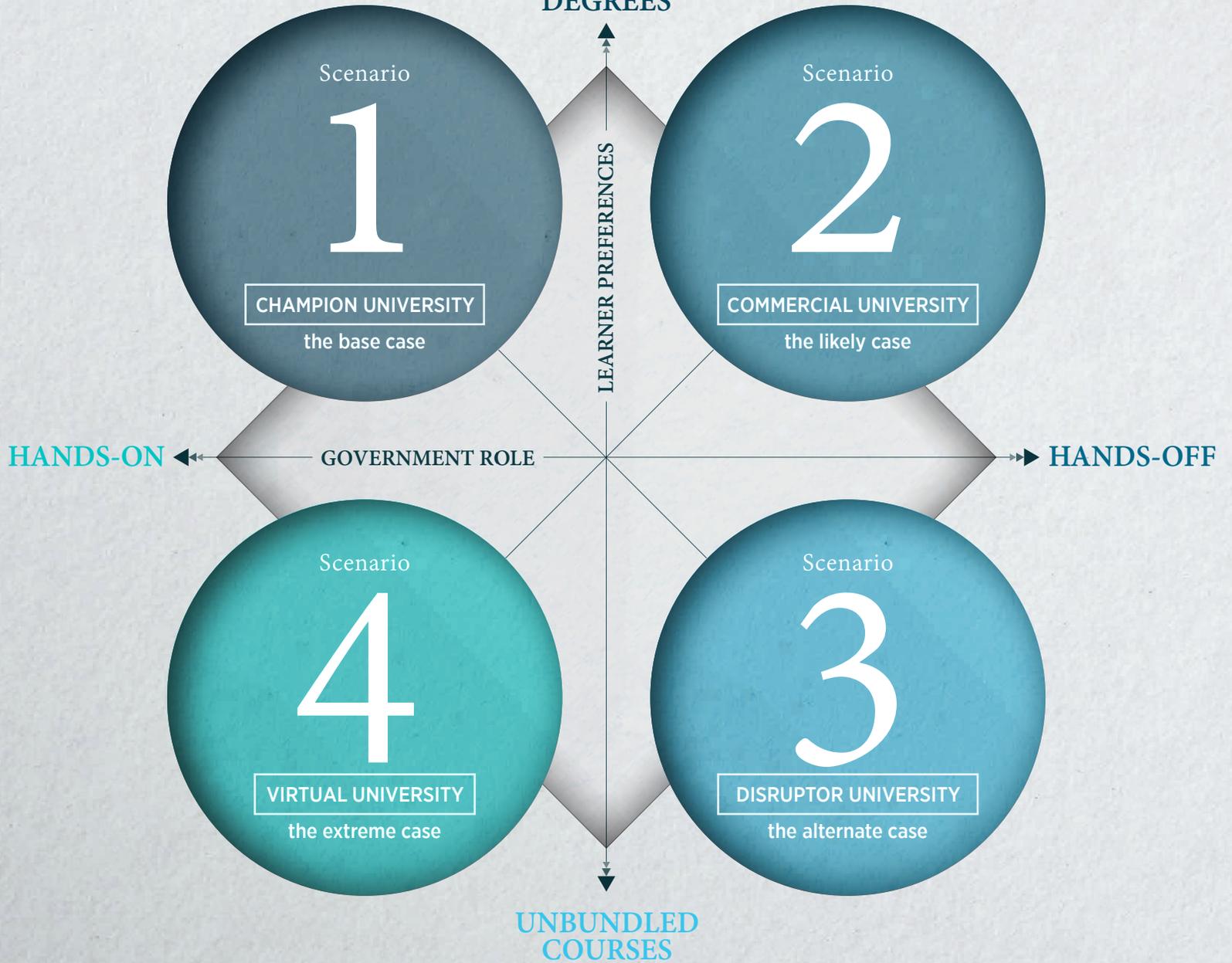
¹⁰ A process view of activities by which a company adds value to an article or service for the market and through which it may gain cost advantage or gain competitive differentiation (Porter 1985). More recently Hartley (2004) has argued that the source of value is no longer to be found in the scale and organisation of manufacturing but in the ‘uses and creativity of consumers’ and ‘partnership with customers’ (2004:131).

¹¹ Speaking on Research in the Age of Brexit <https://www.universitiesaustralia.edu.au/Media-and-Events/HIGHER-ED-ITION/Articles/2016-2017/Research-in-the-age-of-Brexit-and-the-opportunities-for-Australia>



We have allowed a range of think-tanks and the large professional services companies to fill the gap, producing narratives of disruption that serve their own needs, and collectively contribute to a dystopian narrative that paints an uncertain future for the higher education sector.

BUNDLED DEGREES



RE-IMAGINING THE UNIVERSITY OF THE FUTURE AS A 'VALUE CHAIN'

Source: Ernst & Young , 2018:12

teaching, subject area focus or teaching/ learning models. Students favour degree programs that offer work-integrated learning. Universities reposition by drawing closer to industry to collaborate on teaching and research (2018:16).

THE CRITICALLY ENGAGED UNIVERSITY

If, as engaged institutions, we are to reclaim and restate our public good role we must address and capitalise on our essential incompatibility with the neo-liberal imaginary (Marginson 2016:220) and generate our own powerful narratives of our future. As Dame Anne Glover reminded us at the 2017 Universities Australia Conference:

The rate of change is enormous and we forget this at our peril.

If we stand still, then we're left standing. And everybody else overtakes us.

So we must imagine what the future could be like and then invent it.

If you don't imagine the future, if you don't seize opportunities, if you are not quick on your feet, someone else will be there before you¹¹.

Allowing someone to be there before us seems to be precisely where we find ourselves as a sector. We have allowed a range of think-tanks and the large professional services companies to fill the gap, producing narratives of disruption that serve their own needs, and collectively contribute to a dystopian narrative that paints an uncertain future for the higher education sector (Rizvi et al 2013; Deloitte 2015; Ernst & Young 2018; KPMG 2018). Some of this is driven by globalisation, some by the impact of digital technologies,

in particular rapid developments in artificial intelligence, some by projections regarding the future of work and some simply by the inevitability of change. Genevieve Bell reminds us that it is over 200 years since Mary Shelley gave us Frankenstein, which tapped in to a set of cultural anxieties¹² — we need to stop and ask what is it that we are imagining and why is the future dystopian, especially as a sector we have proven highly adaptive and we have arguably been 'educating for a world we cannot yet imagine' since the 1930s.

It may be because a raft of common theme reports have been produced increasingly frequently over the past decade by the professional services companies, some more brazenly than others seeking to satisfy their expanded commercial consultancy remit. These reports, based on easy-to-understand narratives of massive change and disruption, were in part a response to the 2008 Global Financial Crisis and the impact of this on major universities within the US system. But 10 years later the massive change and disruption narrative persists and grows, simultaneously opening up significant new business opportunities for the professional services companies, from strategic planning and change management consultancies to the 'co-design' and delivery of 'unbundled' professional education. We have even seen the re-emergence of the refashioned imperative for 'life-long learning', seemingly forgetting that this concept dates back to the 1990s (the Delors Report), and depending on the way in which provenance is traced, to the 1970s with the work of Faure (1972) and Tough (1979).

Audit and compliance have gained new political power, used to exercise control when the lever of government funding is reduced and the principles of accounting are applied to ever-wider domains of professional and social life. Shore and Wright (2018:3-4) pose the question: 'What are the implications for democracy and society when 'gamekeepers' turn 'poachers' and turn 'gamekeepers' again in a revolving door between governments and accounting firms?'

I think we can assert with confidence that in higher education the narrative of disruption and attendant new higher education formations has proven attractive to governments who are struggling to address the demands of funding the growing higher education sector and increasingly sophisticated and costly research and research infrastructure through conventional means. It is important that we generate a more authentic and effective narrative about our sector and organisational capacity, the nature of 'disruption' we face and the degree to which we, as innovators, seed 'disruption'. We also need to generate understanding of the nuanced 'future of work', understanding that, especially for the tertiary educated, this represents change, but also opportunity rather than fear and anxiety:

The technologies will continue to have positive and negative impacts for employment. Some jobs will be in less demand as machines play a greater role. But most of the impact of automation will

¹² Interview 'Genevieve Bell: Humanity's greatest fear is about being irrelevant', The Guardian, 27 November 2016.

involve augmenting labour, rather than replacing it. Two-thirds of automation-generated change will be within jobs, affecting how people do their work, rather than erasing jobs entirely. For many workers, particularly high-skilled professionals, this impact will be positive. Automation will further reduce the proportion of time spent on repetitive, routine tasks and increase the proportion of creative, interactive and problem-solving work. This increases wages and makes work safer and more satisfying. However, a third of the change will result in changes between jobs, and automation will contribute to an increasing number of people undergoing workforce transitions. Managing this sensitively will require an understanding of the different impacts on different categories of workers, and tailoring services and policies accordingly (Alpha-Beta, 2018:6).

Regardless of, and sometimes despite the policy and funding environment, the higher education sector in Australia has evidenced adaptability, agility and resilience. The transformation from an elite to a high participation and highly internationalised sector with an increasingly strong research profile has demanded that the sector both create and embrace potentially 'disruptive' pedagogies and technologies (Becker et al, 2018). Yet, economic analysis of the return on investment in the higher education sector and the relevant multipliers and spillover benefits, including fiscal externalities such as graduate tax revenue (Cadence Economics, 2016) fails to generate such a heightened level of interest or a funding paradigm based on long-term investment rather than short-term, budget and political cycle imperatives.

Universities are too often cast, particularly

by our political leaders and sometimes the media, as focussed on internal institutional politics or the aspects of politics that have the greatest potential to impact on us.

This is not always a bad thing. We should be concerned about education reforms that are framed by human capital theory – unduly focussed on individual private benefit and economic outcomes. We should be concerned that the costs of higher education are increasingly being slated back to students. We should be concerned about casualisation of our sector and the fact that the shock of the new is that Australian universities have now become serious players in the 'gig' economy – dependent on a contingent workforce of at least 67,000 individuals (May et al, 2013: 258-275). We should be concerned by continuing calls for deregulation of higher education, particularly given what we have learned from the corrosive impact of 'for profit' imperatives in the vocational education sector and what we are learning about the unintended consequences of deregulation in the Australian banking and financial

services sector. We should be concerned because critical policy settings come to frame what is possible, to define priorities in our sector and to define the path for our developmental trajectory.

Within this pressured environment, all too rarely do we focus our gaze on that which really matters: the long-term benefit to society that comes with educational opportunity, and equitable access to that opportunity and the long-term benefit to society of the research we undertake. How often do we ask, are we getting the balance right between meeting individual student aspirations, graduate employment outcomes and the needs and expectations of our communities, our regions and our nation?

We need to ask are we being bold enough, as Gough Whitlam extolled us in a time that is now almost unrecognisable, 'bold to achieve what matters'? (Bell, 2017: 4). Can we be bold when our priorities reflect the mores and

language of economic rationalism and are powerfully shaped and constrained by meeting the demands of a culture of audit and compliance? Can we be bold when we increasingly frame our knowledge



Beyond funding attached to growth Australia has not yet seen the increased investment that would enable significant expansion of engagement or the equivalent of Third Stream funding which in the UK was introduced specifically to support Higher Education Institutions to increase their capability to respond to the needs of business and the wider community.

production in the language of audit: inputs and outputs, quality assurance, cost-effectiveness, key performance indicators, benchmarks and standards, timelines and target audiences? Can we be bold when students see us as providers of educational commodities and the Federal Minister responsible for the Education portfolio sees 'value for money' as a defining feature of private/for profit institutional success in educational provision:

You understand the need to respond to what students want to learn, the way in which they want to learn, and when they want to learn. You see students as clients who expect value for money, and you've been operating with that type of mind frame for many years, hence your growth and success¹³.

Is it unrealistic for us to create the University of the Future centred on the concept of engagement for public good, that encompasses selective commercial imperatives, does not shy away from addressing or indeed generating disruption, is a virtual as well as a physical entity; and as a 'champion' university embraces continuity and change. Sound familiar?

As I have previously noted in this journal, we should not forget that the engagement of universities and their communities received attention in the Australian Government 2002 Ministerial Discussion Paper Higher Education at the Crossroads (Nelson, 2002). The Minister, under the Howard Coalition Government, invited the university sector to provide input to the development of a 'Third Stream' funding model similar to that which had been introduced in the UK. A number of strategies were canvassed,

including: payment of a 'social premium' to universities to deliver community service obligations within their region; state governments to contribute to the cost of some activities on a fee-for-service basis; and funding of community bodies to purchase the higher education services they need (IRU, 2005:2).

These issues were overtaken by the Bradley Review (2008) which recommended that 'A separate stream of funding should not be provided for community engagement or 'third-stream' activities given that these activities are an integral part of an institution's teaching and research activities. But the Bradley Review did recommend a new financing framework with improved competitive funding for the core activities of teaching and learning and research including funding to advance the social inclusion agenda.

Beyond funding attached to growth, Australia has not yet seen the increased investment that would enable significant expansion of engagement or the equivalent of Third Stream funding, which in the UK was introduced specifically to support Higher Education Institutions to increase their capability to respond to the needs of business and the wider community.

The persistence of the importance of the equity and engagement agendas (Harvey et al 2016), although impoverished and rendered less visible by the necessity of these activities being embedded in learning and teaching and research in order to be sustained, provides evidence of the agency being exercised within institutions in tandem with their communities to counteract the market

focussed policy environment and instrumentalist perspectives to sustain civic engagement and contribute to the common good. We are exercising agency, drawing on the commitment of our staff and students 'to make a difference' and we must continue to do so. We must speak the language and author the narratives that confirm this exercise of agency for the public good.

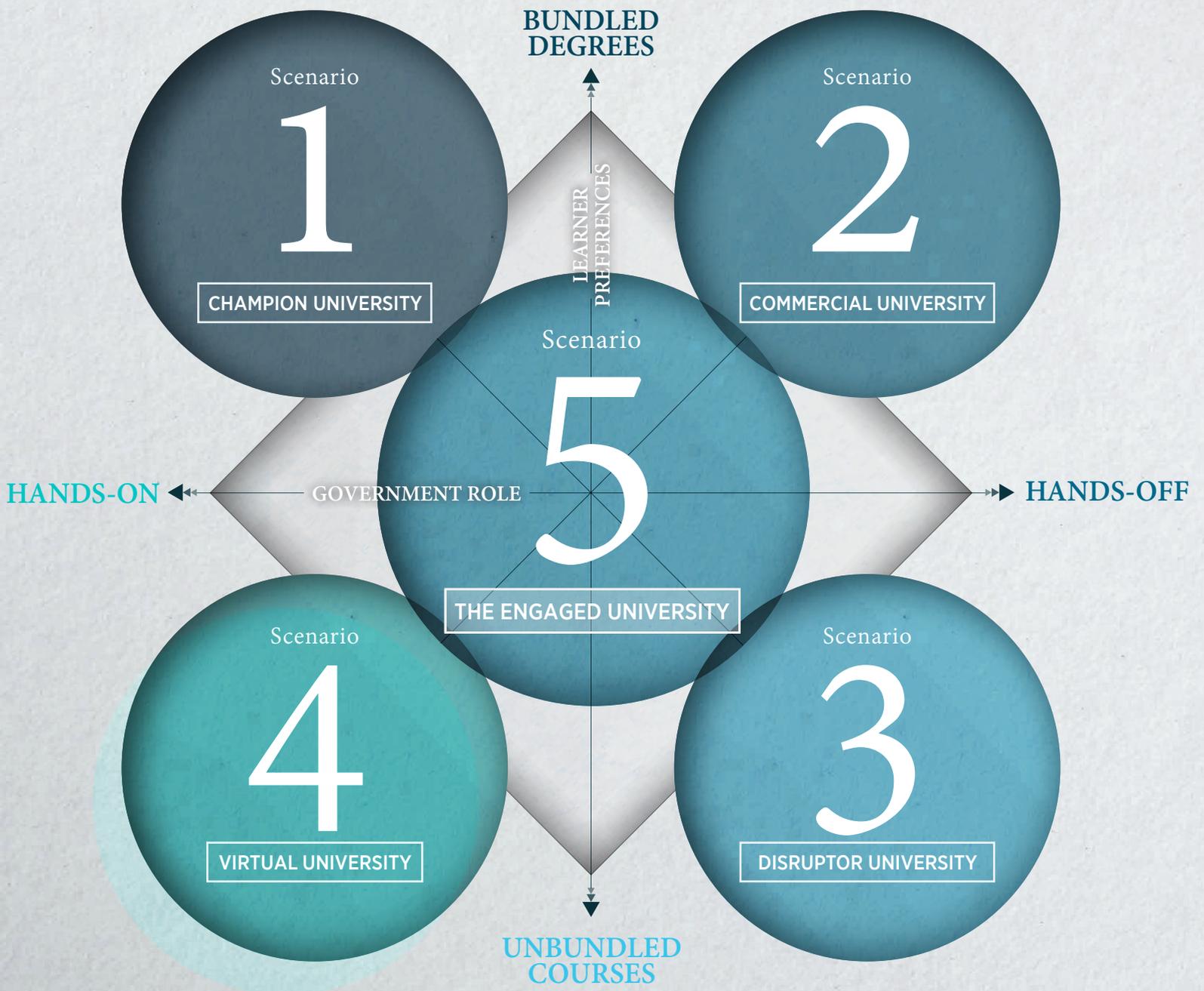
This will only occur if the sector seizes the moment for greater engagement and the greater good, and invokes what was once the bi-partisan Menzies-Whitlam consensus in which universities were understood to be '...spaces of public scholarship in which claims to expertise can be tested transparently and made available for the good of the entire society'. (Etheringham 2016)

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¹³ Senator Simon Birmingham, Speech to Council of Private Higher Education AGM, Canberra, 23 May, 2018, <https://www.senatorbirmingham.com.au/speech-to-council-of-private-higher-education-agm-canberra/>



RE-IMAGINING THE UNIVERSITY OF THE FUTURE AS A 'CRITICALLY ENGAGED UNIVERSITY'

Source: Ernst & Young , 2018:12

TRANSFORM

THE CRITICALLY ENGAGED UNIVERSITY OF THE FUTURE

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