"EUROPE OF KNOWLEDGE": SEARCH FOR A NEW PACT

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A BRIEF RECAPITULATION

The general aim of this volume is to contribute to an improved analytical framework and empirical basis for understanding the processes, determinants, and consequences of change in the University, as a key institution of modern society. We take a general interest in how the University is organized and governed, how it operates and performs, and how it develops over time. The more delimited research question explored is: How has the dynamics of the European University been affected by European integration, cooperation and policy making?

Improving our understanding of the relationships between the dynamics of change in the European University and European integration requires that we address a number of core questions concerning the dynamics of each of them, as well as their interrelations. These issues were introduced in chapter 1 and can be summarized as three challenges:

1. To map actual changes in the European University: how much, and what kinds of, change have there been in its organization and governance? Have the ways in which the University is organized, governed and funded been revolutionized or modified, or has rhetoric changed more than practice? Have the core activities of research and teaching been affected and is there a performance crisis? Has there been a single pervasive trend when it comes to institutional development and performance?

2. To map the long-term build-up and development of European-level institutions, actors and policies with possible significance for the European University. What have been the most relevant European-level factors, including supranational, intergovernmental, and transnational deliberate attempts to influence the University? What other European-level institutions, actions and developments, not aimed specifically at affecting the University, have eventually had an impact?

3. To explore what have been the relationships between (1) and (2). There are sufficient indications that governance levels as well as modes of public governance relevant to policy processes, administrative and academic activities in higher education and research have to some degree been integrated, suggesting that European elements can in practice hardly be separated anymore from the national ones. This implies that for understanding some core dynamics of institutional change in the University it is important to address European integration as a possible key explanatory factor. This acknowledgement, in turn, fuels the call for seeing present day attempts

to establish European areas for research and higher education as linked to the broader process of European integration.

Yet, not all actors, processes, and forces that affect the University orbit around European cooperation. Which factors, then, explain university dynamics, and what is the relative importance of European level institutions, actors, and policies? Furthermore, compared to other processes of change, what has been the relative importance of deliberate institutional design and reform in university transformations? What has, for example, been the significance of the deliberate attempts to "modernize" European universities in the framework of the construction of "a Europe of knowledge," a European Research Area, and a European Higher Education Area, with the intention to make the University an instrument in the transition to the "knowledge economy," a "knowledge society," and a "learning society"?

In chapter 1 we observed that there are major knowledge gaps in the European policy debates on the University and that weak and ambiguous data are often used to legitimize strong conclusions concerning the need for urgent and radical reforms. We also observed the lack of a generally accepted analytical framework and a sound data-basis for interpreting and explaining the dynamics of the European University. University studies have to a large extent been disconnected from more general studies and knowledge on European integration processes. There are excellent studies on the Europeanization of higher education (e.g. Witte 2006). However, they have usually treated higher education as an isolated phenomenon – isolated from the dynamics of science and research policies at the national and European level, as well as from the overall European integration processes.

After presenting some preliminary theoretical ideas about institutional change, two approaches were used to explore possible ways of filling some of the observed gaps. In part II we presented and elaborated four stylized visions – Weberian "ideal models" – highlighting alternative (typical) characteristics of the University's constitutive logic, criteria of assessment, reasons for autonomy, and processes of change. Each of the four visions turned out to be useful for capturing important aspects of university dynamics. Yet, it also became clear that universities and their dynamics are too complex to conform to interpretations based solely upon a single stylized vision.

Therefore, rather than starting out with an analytical framework, part III confronted the empirical complexity of European cooperative efforts with respect to the university sector, as observed in the Bologna and Lisbon processes. However, while the study of such processes unveils key elements in the dynamics of European integration and cooperation for the transformation of the University, we also observed that it can be problematic to study any single process in isolation. Bologna and Lisbon have illustrated that at least under some conditions reform processes interact and become intertwined, as several partially interconnected developments cross each other (chapters 7 and 8).

Many of the questions raised in chapter 1 remain unanswered and instead of making an attempt to summarize the findings of the Volume, this chapter, *first*, discusses five lessons that can be drawn on the basis of the previous chapters and the general

literature. The lessons are presented as possible starting points for developing analytical frameworks capturing historical and contemporary university dynamics. *Then*, four themes for an empirical research agenda are suggested as following from the stylized visions and the empirical processes that we have presented and analyzed in the previous chapters.

<div align="center">FIVE LESSONS</div>

How then to move on from the current situation? How can we improve our understanding of the nature of the transformations that have taken place in European universities? That is, how can we comprehend the processes through which change in university organization and governance has taken place, the effects on university performance and development, and the determinants of change, in particular the significance of European integration and cooperation?

Given our observations in the previous chapters – the almost continuous demands for comprehensive reforms; the search for new legitimate ways and means to govern universities and the layering of piecemeal changes over decades; strong commitments to institutional solutions yet without much evidence of how precisely each of them affects academic performance; competing diagnoses and visions for the future University in spite of a dominant functional language; the multi-institutional setting in which university change and reform are taking place and their close relationship to societal developments in general; the tendency to believe in simple causal structures in spite of an increasing complexity in terms of actors, forces and events across levels of governance, institutional spheres, and policy areas – given all this, the main argument in the following is that we have to go:

- Beyond routine, incremental change and reform, and conceptualize current dynamics as *search for a new pact* between the University and its environments.
- Beyond a dominant concern for substantive performance and explore the possible independent importance of the *legitimacy* of institutions in the assessment and justification of existing arrangements, reforms and change.
- Beyond functionalism and analyze change as processes of *contestation*.
- Beyond a single-institution framework and take into account *inter-institutional tensions and collisions*.
- Beyond explanations based upon environmental determinism or strategic choice and consider the more *complex ecology of processes and determinants* in which the European University is currently embedded.

<div align="center">*Search for a New Pact*</div>

Under some conditions change and reform take place routinely and incrementally within a fairly stable institutional framework. Under other conditions institutional frameworks are themselves changing as the shared understandings underlying the political and social order are questioned and possibly modified or replaced.

However, it is often difficult to say exactly under what conditions radical or revolutionary change is taking place or is likely to take place (chapter 3). Apparent revolutionary events, such as the democratization of the University during the 1960s and 1970s (chapter 5), may in a longer perspective turn out to have less transformative impacts than those taking part in, or observing the events believed. Neither is it unimaginable that the same observation will be made in the future concerning the impact of the market vision (chapter 6). On the other hand, consistent incremental change may over time transform the university system in fundamental ways.

A main argument in this Volume, nevertheless, is that the University is in a "critical period" with a potential for a major rebalancing of internal and external relations of authority, power and responsibility in university governance. Behind labels such as "a Europe of knowledge" there is a search for a new pact between the University, political authorities and society at large. A "pact" is a fairly long-term cultural commitment to and from the University, as an institution with its own foundational rules of appropriate practices, causal and normative beliefs, and resources, yet validated by the political and social system in which the University is embedded. A pact, then, is different from a contract based on continuous strategic calculation of expected value by public authorities, organized external groups, university employees, and students – all regularly monitoring and assessing the University on the basis of its usefulness for their self-interest, and acting accordingly.

The University is in search of a new pact and a legitimate position in the political and societal order at the same time as Europe in general is in search of a new order (Olsen 2007). The two sets of processes are related, so that the University's search for a new pact is part of the more general transformations in the European order. The current dynamics, therefore, raise core questions: What kind of University for what kind of society? What do the University and society expect from each other? How is the University assumed to fit into a democratic polity and society (chapter 2)? Like other institutions under re-examination the University has had to re-think its rationale, identity and foundations, its ethos, codes of behavior and primary allegiances and loyalties. There has been a need to explain and justify foundational institutional principles and rules and, for example, to give policy makers and citizens good reasons for accepting university autonomy and individual academic freedom.

The four other lessons are closely linked to this interpretation of the ongoing dynamics of change in the European University as a search for a new foundational pact.

Legitimacy

Organized cooperative efforts and reform proposals are usually explained and justified by their assumed beneficial consequences. Focus is upon how change in organization and governance can be expected to improve substantive performance directly or indirectly. An example of the latter is when organizational change is assumed to improve an organization's ability to learn and adapt to shifting environments, which in turn is seen to produce desired substantive consequences.

While expected consequences under many conditions are used as the main criteria of assessment, actors may nevertheless have preferences over institutional arrangements, and not only across policy outcomes. In such cases characteristics of institutions and forms of governance are seen to have an inherent value, that is, institutional properties are not (solely) assessed in terms of their contribution to immediate substantive benefits.

Under some conditions, and the search for a new pact is likely to be an example, reform impacts upon institutions are also considered more important than impacts upon substantive policies and outcomes. Assessments and justifications of institutional arrangements and reforms then focus upon what are seen as legitimate institutional arrangements in the relevant culture. Evaluations are based upon the institutions' intrinsic, not instrumental values. They are primarily deontological rather than consequential (Olsen 1997).

The European Union has committed itself to institutional arrangements such as democracy, the rule of law, human rights and a market economy. Nevertheless, in the Union, as well as in other European cooperative efforts, predicted and desired consequences in terms of improved substantive benefits, together with increased institutional learning and adaptability as tools for improved performance, have been predominant. The raison d'être of European integration has been portrayed as the Union's supreme ability to meet (some of) the needs of European citizens and solve problems that each member state cannot solve equally well by itself. The Commission has repeatedly emphasized that "Europe needs results" and much of the university reform discourse has also been organized around assumptions about "performance crises," Europe "lagging behind," and the University's inadequate ability to learn and adapt to its environments.

Policy debates, for example, usually do not acknowledge the importance of the specific institutional history, characteristics and context of the European University. This can be illustrated by a recent Communication of the European Commission on the modernization agenda for universities which declares that "Universities should be funded more for what they do than for what they are" (Commission 2006b: 7). Here the Commission portrays Universities as organizations without a long history and an identity with intrinsic value. The University is seen as operating in an institutional vacuum and can be basically stimulated from the outside to become more effective if only the right measures, for example, an introduction of performance-based funding, are taken.

However, while it has been commonplace to see expected and desired substantive consequences as the most important motive behind university reform, many actors have also seen organizational structures and processes as having inherent value or dangers. They have supported or opposed different institutional arrangements on the basis of fairly enduring general beliefs, stereotypes or ideologies, rather than on the basis of documented substantive outcomes. Different actors have expressed general trust in, or scepticism to, majority rule, internal and external interest representation, market competition, and academic autonomy and freedom (chatper 2). They have done so, not on the basis of continuous feedback about the benign or disastrous

substantive consequences of each arrangement, but rather on a basis of long-term commitments to the appropriateness and legitimacy of specific institutional principles, rules, practices, and reform procedures.

While trust in the University and willingness to give it organizational autonomy is likely to be influenced by the University's substantive performance and how existing autonomy is actually used, it will often be difficult to know exactly *which* reforms will work and *how* they will affect performance. For example, in a world where many factors are changing simultaneously it will be difficult to disentangle exactly what has been the impact of a specific modification of the University's internal organization and system of governance. It will especially be difficult to foresee and control precisely the long-term consequences of organizational reform for the type and quality of research and education. Therefore, we expect it to be easier to deliberately change formal organizational arrangements, rules and budgets than to influence academic performance and achieve pre-specified, substantive results by changing university organization and systems of governance.

A possible implication is that the longer and more uncertain the causal chains between university organization and performance, and the more uncertain the existing knowledge about the substantive consequences of proposed organizational reforms, the more likely it is that reforms will be assessed on the basis of long-term commitments to competing institutional arrangements rather than on continuous calculation of the substantive benefits following from organizational change. There may, however, be tensions and conflicts whether assessments and justifications are made on the basis of the inherent value of institutional arrangements or in terms of substantive benefits.

Contestation

As already argued, the most typical language used to explain and justify organized cooperation is functional. Focus is upon how joint efforts produce desirable substantive results and added value. Key words are modernization, problem-solving, improvement, expertise, effectiveness, and efficiency. Under some conditions it is also true that Pareto improvement takes place as a functional superior alternative, leaving some better off and nobody worse off, is discovered through analysis, design or accident and then peacefully replaces a functionally inferior solution. For example, in democracies public deliberation about reform schemes are supposed to contribute to a reasoned popular consent, as collective problem-solving produces renewed trust in an existing pact, reinterpretation and modification of that pact, or a consensual development of a new one.

Under other conditions reform and change are strongly disputed. Typically, the search for a new pact raises many "why-questions" as well as "how-questions," that is, foundational questions about the values, norms, interests, and power underlying the system, and not only questions concerning functional performance, effectiveness, efficiency and improvement. There are competing values, norms, interests and world-views. It is easy to identify losers as well as winners, and there is contestation and threats of withdrawal of support for the existing institutional order. Such

situations tend to activate a variety of issues to which there rarely are technically superior, durable and agreed-upon solutions. Contestation, coalition-building and conflict resolution, therefore, are likely to be central aspects of reforms.

The language of university reform, like that of European integration in general, has primarily been functional. For example, in policy documents from the European Union a core assumption has been that there is an agreed-upon agenda for university reform. It has also been commonplace to argue that it is indisputable how things work and how they could be made to work better (chapter 1).

However, the previous chapters have shown that university reform tends to involve contestation and that especially issues of education, identity-building and the socialization of the young have turned out to be national sensitive policy areas. There have been competing visions of how the University should be organized, governed, funded and changed, and attempts to purify a single vision have historically mobilized countervailing forces in defense of other visions. The definition and monitoring of performance and quality has to a considerable extent been moved out of the universities. A result has been that the boundaries between universities and society have been blurred and there have been tensions and contestation over who can legitimately define criteria of success, social relevance and academic quality, processes sometimes creating new links and alliances.

As suggested in chapter 1, university dynamics are rarely driven by stable, consistent and agreed-upon preference functions. Attempts to create an agreement on a limited number of operational reform objectives have rarely succeeded. Actors have often been pursuing many and conflicting policy objectives or they have been acting according to competing norms. Apparent consensus on overarching goals have required a considerable degree of vagueness, "softer" methods of governance such as the Open Method of Coordination (OMC) rather than legal measures, as well as uncertain implementation (chapter 8). The different objectives defended by competing groups have operated as independent constraints (Cyert and March 1963) in processes aimed at discovering or defining viable reform options.

Furthermore, there have been competing diagnoses of how well European universities perform according to different criteria of success as well as competing interpretations of which factors determine university performance. There has also been disagreement about who should pay for what – public authorities, students and their families, industry and other users of research and education. These contestations have involved organized groups and individuals. They have also involved tensions and collisions between institutions founded on values, norms, interests, and world-views that are not always easily reconcilable.

Institutional Collisions

Under some conditions reform and change are regulated by a single and fairly stable institutional framework: institutional rules and practices, causal and normative beliefs that explain and justify the institution, and stable resource allocations. Under other conditions there are frictions and collisions between competing institutional actors

who are carriers of different behavioral logics, traditions and resources (March and Olsen 1989, 2007; Orren and Skowronek 2004).

Historically the University has had both a transnational and a local dimension. Yet in Europe the territorial state has for a long time been the main framework for university policy making, functioning, and development. There have been tensions and conflicts between institutions and policy sectors, but conflict resolution has primarily taken place within the overarching framework of the sovereign territorial state. In comparison, new visions for the future of the University seem currently to have their origin at the European, more than at the national level. There is European-level institution-building creating an increase in organized capacity for action – policy making as well as research and education. There is also a growing underbrush of organizations, including new ones, such as the European University Association (EUA), the European Association of Institutions in Higher Education (EURASHE), the European Centre for Strategic Management of Universities (ESMU), and ESIB, the National Unions of Students in Europe.

These are processes taking place in the interface of levels of governance, institutional spheres, and policy sectors, with frequent frictions and collisions between institutions that are carriers of different national University, state, and state-society traditions. Consequently, not only the University but also national research and educational policy establishments have been challenged and have had to re-think and re-learn their place in a larger political and social order, including the power relationships between key institutions.

In such situations – where the European University is involved in a search for a new pact and there are contestations over visions for the future – university dynamics cannot be understood by studying universities, or any other single institution, in isolation. Analyzing only institution- or sector-specific conditions leaves us, at best, with a one-eyed understanding of how universities function and develop. Neither the competitive market nor any other stylized vision has completely replaced all others visions. Each vision and their underlying institutional arrangements still have their supporters, and they are also likely to do so in the future, even if the support may wax and wane and the balance among the visions change. Understanding university dynamics, therefore, requires attention to the interface between the institutional arrangements upon which the various visions are based.

At the European, as well as the national level, the University has several policy anchorages that complicate the study of how inter-institutional processes affect its dynamics. For instance, so far policy making at the European level concerning the University as a research organization and an educational organization have been coordinated separately, implying that the institutional embeddedness of these two policy areas differs (chapter 8). The education-research separation is also upheld through practices outside universities, for example, as evaluation of education and research are made separately. There are countervailing processes – the new forms of institutional accreditation emerging in Europe are, for instance, blurring the distinction between the two areas. Disconnections, furthermore, should not necessarily be interpreted as a lamentable lack of horizontal policy coordination, but rather be seen as expressions

of how policy sectors and their institutional traditions have been organized at the European level. The disconnections also provide starting-points for studies of how reconnection of policy-fields and institutional spheres may take place. For instance, the EHEA has met the ERA when the former started to take an interest in research education and doctoral students, as also expressed in the 2005 Bologna meeting of Education Ministers in Bergen, and the agenda for the 2007 London ministerial meeting.

Unquestionably, the University has developed into a key institution that impacts most aspects of democratic societies, and research and education have come higher up on the European agenda and are now getting a sizable share of the Community budget. However, all this does not imply that research and educational institutions and policy making have become more autonomous. Neither does it mean that this sector has become more powerful as a core premise-giver to other policy sectors.

Rather, a more prominent place on the political agenda has come together with demands that research and education have to become better integrated with the overall objectives of the Union. Universities have in particular faced strong demands for better contributions to furthering the European knowledge economy and making Europe the most competitive and dynamic knowledge-based economy in the world. Generally, more participants, problems and solutions have been mobilized in university reform policies. Research and higher education policies have developed an increasing interdependence with a variety of policy sectors and sector-external concerns have become increasingly important both directly and indirectly.

Arguably, the education and research sector has become a net receiver of external premises as policy makers have to a lesser degree treated the University as a unique institution, for example, by importing organizational patterns, governance systems, management techniques, and funding arrangements inspired by private business and competitive markets. The University has been "prey to" general shifts in public governance, maybe not so much as a result of a distrust in the efficiency of the universities to run their own affairs per se, but rather as a consequence of the shift from input control to performance control of public institutions, based upon the general belief that public institutions perform better when they are in competition with each other and private sector organizations.

Furthermore, European level developments have impacted the European University indirectly and as a side effect. In the same way as European hospitals' basic activities have been affected by European market regulating instruments, such as the working time directives and the directive on professional qualifications (Greer 2006), the University's basic functions have felt the effects of "Europe" in areas such as intellectual property rights, and state aid rules, while they have also been affected by instruments and initiatives that have been explicitly designed to aid the construction of the European Research Area or the European Higher Education Area.

In sum, change and reform processes have to be analyzed as part of larger inter-institutional transformations, in a European rather than a national context. Students of university dynamics have to attend to institutional collisions and possible alien

invasions from other institutional spheres. They also have to attend to the possi-bility that the search for a new pact involves a complex ecology of processes and determinants.

A Complex Ecology of Processes and Determinants

Under some circumstances change is determined by environmental processes of com-petitive selection. Under other circumstances change is the product of strategic choices of leaders and managers, that is, change reflects the will, understandings, and power of an identifiable group of actors. Both explanatory frames are prominent in the academic study of institutional and organizational dynamics. Change, nevertheless, routinely involves a much larger repertoire of standard processes and in contempo-rary settings change often takes place in a complex ecology of actors, processes and determinants (March 1981; Brunsson and Olsen 1998).

European policy makers often use the environmental determinism and strategic choice frameworks to describe or prescribe the dynamics of change in the European University. The preceding chapters, in contrast, have observed that European (and global) competition in research and education is far from perfect and that compet-itive environments are likely to influence, but not determine university dynamics (chapter 6). Likewise, several chapters have shown that there are many actors and forces across levels of governance, policy sectors and institutional spheres and that no single actor or coherent group of actors is likely to perfectly control reform processes and their outcomes. Hence, we should not expect a straight causal line from European integration, or from the intentions of identifiable actors, to university performance and development.

Furthermore, the preceding chapters have documented that university change and reform can be triggered and influenced by many factors and that change processes follow many different trajectories. University developments are also strongly embed-ded in institutional arrangements and traditions and there are path dependencies. The fifth lesson of this Volume, then, is that while environmental determinism/competitive selection and strategic choice are possible explanatory frames, contemporary transfor-mations cannot be predicted or understood solely in terms of these two interpretative frames.

An institutional approach, in particular, emphasizes the possible robustness and resilience of well-entrenched institutions against changing environments and delib-erate reform efforts (March and Olsen 1989; 2006 a, b). Institutions provide elements of order. Therefore making sense of university dynamics requires that we take into account the density and types of institutionalized rules and practices in which the Uni-versity is embedded, as well as the origins and histories of the University and other relevant institutions. Properties of such institutional configurations and traditions are, for example, likely to influence the degree to which the University will be able to counteract deliberate efforts of institutional imperialism and other invasions of alien premises, and also the University's ability to re-examine its foundational identity and its pact with society (chapter 2).

One implication of an institutional perspective is that we, in order to explain how much and what changes have taken place in the European University, have to go beyond environmental determinism. Yet we have to take into account that current transformations are part of a broader political and societal transformation and that change takes place in a specific historical and cultural context. This is a context where the relationships between the University, political authorities, and society are redefined, and where the significance of European integration efforts for higher education and research is linked to the larger transformations and the conditions set by them.

The differentiation of universities and systems of research and higher education in Europe is closely connected to the nationalization of these policy areas and the integration of research and higher education institutions in the service of the territorial state. Consequently, the state traditions encompass different understandings of how to control domestic institutions (Hood et al. 2004: 4), such as the University, and of how to instill a national order on the higher education systems and the basic activities of the University.

Less variation between national university systems and more variations within the university system of a single country (among other things) can be seen as an indicator of European integration (Egeberg 2006c). While the germs of such developments can be observed, there is still considerable variation within European research and higher education systems both in terms of the strength and autonomy of the University and the strength and autonomy of the state and its constituent parts relevant to this sector (Gornitzka and Maassen 2000b; Maassen 2006).

The European level of governance has become more important, but it has far from replaced other levels of governance. The role of the government as the grand conductor making sure that the included actors stick to a common "script" is less visible now than 15–20 years ago, and this has been interpreted as the abdication of government to the market, through the deregulation of national legal and regulatory frameworks, and the decentralization of decision-making authority. However, the territorial state cannot be assumed to be static in face of European-level dynamics and arguably the state has repositioned itself, rather than abdicated (chapters 7 and 8). Changing state traditions and state-society traditions continue to affect how universities are impacted by European integration.

National governmental ambitions with respect to the universities are, for example, present and alive and express themselves through the continued and renewed governmental grip on core levers of control (Hood et al. 2004: 75–130). In Western Europe the funding of universities is still dominantly public (Lepori et al. 2005) and the legal frameworks have been changed but not emptied. University reforms continue to a large extent to be orchestrated by governments within a national context, with a firm foundation in national policy processes and legal frameworks.

Therefore, it is no surprise that the general observation in the literature on European integration – that national institutions have made a difference and that there has been "domestic adaptation with national colors" (Risse et al. 2001: 1) – turns out to be relevant also for the European University as an entrenched and endurable

institution. European decisions and forces are interacting with nation state, state-society, and state-society-university arrangements and traditions, and obviously significant national, policy-sector, institutional, and disciplinary idiosyncrasies have so far outlived European integration.

Making sense of university dynamics and of changes in these dynamics will, furthermore, require attention to shifts not only between the nation state and the European level, but also from and to the other relevant levels of governance. In some countries the challenge to national systemic control comes from the regional level. In other countries the nation states have had a different point of origin in terms of governmental control over higher education systems and institutions, and they have actually increased their control ambitions over parts of the universities' basic activities. There are also variations in the extent to which external regulation and control over academic activities have come to be accepted as natural and legitimate (Salter and Tapper 2000).

However, the University has prior to and parallel to European-level developments undergone changes that have opened higher education and research to the transformation implied in the construction of "a Europe of knowledge." We have seen how the four visions of the University are rooted in different societal and political conditions. Understanding the changes related to the Humboldtian vision is impossible without understanding the political and societal conditions within which it arose (chapter 3). The hierarchical vision of the University is crucially linked to changes in the conception of the nation state and its role in society. We have also observed how national development and reform of a system of universities is linked to the functions and means of governance of the modern welfare state (chapter 4) and that national institutional traditions have shaped the systemic diversity that are present today in the university landscape. The rise of the democratic vision is related to processes promoting representative democracy in society at large as well as work-place democracy (chapter 5), while the current dominance of the market vision has to be linked to changing conceptions about the role of government in steering society and specifically in Europe the strong political focus on the problems of the continent to compete in the global higher education and research markets (chapter 6).

Neither can reform processes be understood without appreciation of their various points of origin. For instance, how the Lisbon process has proceeded with respect to the University within the stage set by the European Research Area is highly dependent on the path EU institutions had taken prior to the more recent events in research policy cooperation (chapter 8). In those cases where the University was seen as part of the education sector and an instrument of lifelong learning policy, the policy process has a very different point of origin and has followed a different trajectory. Studies of university dynamics, therefore, can benefit from knowledge about how institutional arrangements and trajectories may impair or reinforce environmental change. Such studies can also benefit from knowledge about how institutions constrain and enable actors differently.

The general literature, as well as the previous chapters, also suggests that studies of fairly institution-free worlds can add valuable insights. For example, it is

commonplace to observe that excessive institutional segmentation tends to make it difficult to achieve coordination, coherence, and consistency across levels of governance, policy sectors, and institutional spheres. It has been somewhat less common to observe that loosely structured contexts and contexts with institutional competition and no institutional hierarchy and overarching authority, may have similar effects. Under the latter conditions, reform processes may be connected ad-hoc through temporal sorting and "garbage can" processes. That is, actors, problems, solutions, and choice opportunities are connected due to their simultaneous arrival and presence, rather than due to their causal connections (Cohen et al. 1972; March and Olsen 1989).

The European context of university reform has some such properties. There are weakly developed institutions in some areas and competing institutions in other areas. Like elsewhere, "garbage can"-processes have been seen as "pathological" – as producing undesired results and requiring agreed-upon principles and rules of coordination. There have been repeated calls for eliminating existing incoherence and inconsistencies and providing better integration across levels of governance, policy sectors and institutional spheres. For example, according to the Commission there is a need to boost coordination, and demands for urgent and radical university reform have to a large extent been triggered by assumed performance crises which at least partly have been seen to be caused by the lack of European coordination, coherence, and consistency.

As part of an attempt to understand strategic leadership or management efforts to provide better coordination and integration in loosely structured contexts, we consider three dimensions of "integration": interdependence, consistency and coherence, and structural connectedness (March 1999b: 134). Often reform processes are triggered by the discovery that the degree of integration varies along these three dimensions (Olsen 2001b).

Typically it is, *first*, claimed that there is interdependence in terms of significant causal effects across levels of governance, policy sectors and institutional spheres. *Second*, it is observed that there is a lack of consistency and coherence, that is, that actions and beliefs do not fit together from the point of view of shared policy objectives and standards of success. *Third*, the lack of consistency and coherence, and possibly a perceived performance crisis, is attributed to a lack of structural interconnectedness, that is, missing or weak common institutional arrangements and organized networks.

Attempts at policy integration take place both within a specific level of governance or policy sector and between levels of governance and policy sectors (Ugland and Veggeland 2006). However, it has often proved difficult for leaders and managers to achieve coordination, not only across highly segmented institutional spheres but also in loosely coupled systems characterized by temporal sorting of actors, problems, solutions and choice opportunity. One challenge, then, is to explore the conditions under which such coordination is possible, that is, the conditions under which decision-makers have the will, understanding, and control, needed for coordination. Another challenge is to explore the conditions under which a tightly coordinated University and university system are likely to produce better academic results, in

terms of research and education, than a more loosely coupled University or university system.

As observed in chapter 2, many of the challenges the European University now faces are due to the University's success. Reformers typically start out with the new potential importance of the University – the importance for individual life chances and well-being and importance in terms of national or European economic, techno-logical, and military competitiveness and power, and strengthened social cohesion. Reformers argue that the University has to be reformed in order to fully realize this potential and live up to society's expectations. In brief their claim is that with-out reform the University will be marginalized, while the result of the suggested reforms will be a renaissance: the University will be more important than ever before.

Opposition to reform plans typically starts out with an institutional rather than an instrumental perspective. The University is an academic institution with an identity of its own. Reform plans now threaten this identity. Left to itself, the University has a potential for self-renewal, as it has shown throughout history. In brief, the claim of the reform opposition is that reforms will destroy the identity of one of society's key institutions and disintegrate the University. Left to itself, the University will be able to cope with shifting frameworks yet keep its foundational identity.

There are tensions within both the instrumental and the institutional view. The first includes what and whose goals the University should be an instrument for. The latter includes tensions between the requirements of big science and disciplines where individual work is more common and costs are low.

Nevertheless, to make sense of a possible new (emerging) pact, we have to understand the interface between the instrumental and the institutional conception of Universities and the tension and conflicts generated in this interface. In particu-lar, we need to understand the rebalancing required if political, economic and social importance and academic institutional identity is to be reconciled.

The research challenge is to identify the conditions under which various reforms will lead to improved performance and not to the decay of a key societal institution, as well as the conditions under which self-governance will lead to renewal and further development and not to stagnation and marginalization. However, we acknowledge that there is no ready-made theory that can help us identify such conditions and capture the complexity observed in the preceding chapters. The diagnoses and predictions of both those generating reform plans and those defending the traditional university identity also underestimate current differentiations among universities and countries and probable developmental trends. The fact that the European level has become more important furthermore makes it even more difficult to identify the cumulative long-term effects of the poorly understood and conceptualized, on-going piecemeal changes in university organization and governance.

   To get beyond this situation and the cognitive and normative dominance in current debates of the stylized instrumental and institutional interpretations, detailed empirical observations of actual patterns of organization and governance, as well as performance are needed. Here we give priority to the following four research themes:

1. European-level ideas and capabilities. The European level is where new ideas and strategies are produced; and there is a growing capability for both governance and research at the European level.
2. European ambitions meet national realities. We need to avoid the interpretation that the national level just adapts to the European level; research needs to capture the interaction between the two levels of governance and also do justice to the loosely-coupled nature of the relationships.
3. Consequences for the University. Research is needed to examine the impact of the interactions between European level ambitions, national and institutional realities; this goes for the University's organization and governance, but even more so for the possible penetration of these interactions into core academic work processes.
4. Beyond Europe. To study university dynamics implies understanding the University as a universal institution. In this endeavor we cannot limit ourselves to intra-European processes; we aim at comparing the dynamics of the European University to the change processes the institution is undergoing in other contexts, in the first place the USA.

EUROPEAN LEVEL IDEAS AND CAPABILITIES

Chapter 1 poses the question of how far European integration efforts have penetrated into the University's core activities, and placed this question within a theoretical approach to institutions and institutional change. Such a focus cannot be pursued unless we understand the institutional makeup of the European dimension in higher education and research, and the dynamics of European institution building in these policy areas. Studying European integration and the transformation of the University implies studying the development of political institutions and administrative capacity relevant to the "Europe of Knowledge." For more than 50 years the University has featured on the European agenda and there are established institutional arrangements for European cooperation relevant to the way in which higher education and research operate. Yet these arrangements are in many respects still in the making, and actors and institutions involved are, if not negotiating, then at least looking to position themselves in a changing institutional order (chapters 7 and 8).
   In addition to the market order of the EU, there is already an established European administrative order. Administrative capacity has been built up also in research and higher education to host the European dimension, linking the European executive, national, and sub-national levels of administration in these sectors. With the gradual build-up of the Commission services and its functional differentiation into a DG for

Research and a DG for Education, a permanent, and partly autonomous, adminis-
trative capacity has been established, organized according to sectoral lines. The two
distinct, basic University functions of teaching-learning and research are retrieved
in the political-administrative organization of the "knowledge sectors" the European
level and to some extent at the national level. At the European level this split should
be seen in light of the history of European integration and the international dimen-
sion of the two policy areas. Research policy issues have for several decades been
the object of international and European coordination. Education as a policy area
has traditionally been more contained by national borders and presented as nation-
ally sensitive. The institutional horizontal split in research versus education has had
important implications for the dynamics of integration even though they address in
essence the same object of integration (chapter 8).

Common to both sectors is that their respective DGs have become a platform for
networking administrations across Europe. The Commission services rely heavily on
the networks that connect the supranational level to the other levels of governance,
as seen in the elaborate structure of committees and expert groups organized by
the Commission.[149] These are networks for European policy making, for affecting
national policies, for information exchange and for the implementation of European
policies and programs at the sub-national level. These networks both bypass and
include the national governmental level. National ministerial administrations are key
participants, but administrative networks also link national agencies and intermediary
bodies, universities and research groups to each other and to the European level.

Of particular interest to us is that intermediary bodies, such as funding and qual-
ity assessment agencies, have experienced a changing role in the governance of
national higher education and research systems. In some countries they traditionally
served as buffering organizations to soften the impact of government on universities.
For example, in the UK these bodies were explicitly changed to act as agencies of
national ministries and to protect the interest of government rather than the universi-
ties in the coordination of higher education (Meek 2002; Kogan and Hanney 2000:
142–179).

Another example concerns national research councils, that even before adding a
European dimension, exemplified "multi-hatted" national agencies, balancing the
interests of the research community, government and industry, as well as other inter-
ested parties in their coordination function. Research councils have gained agency
autonomy also in order to pursue new functions, such as formulating and identifying
"strategic" research, science forecasting, or research evaluations.

The nature and role of these types of national agencies have not been system-
atically studied with reference to their connection to the European level and their
role in European level coordination of higher education and research. One possi-
ble hypothesis is that the European level institutional build-up not only changed the

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[149] The Commission's register of expert groups listed over 80 expert groups under the DG Education and
Culture and over 120 for DG research in 2006. http://ec.europa.eu/transparency/regexpert/search.cfm

multi-level administration of research and higher education by adding another layer, but that European integration also pushed the establishment and homogenization of national agencies in Europe and promoted national agency autonomy (Egeberg 2006a: 10).

Multi-level administrative networks also incorporate transnational actors, such as disciplinary associations, expertise networks, and European level stakeholder associations, that in themselves might already challenge the cohesion of national systems of research and higher education. As the DGs divide their work primarily according to sectoral lines, both the DG EAC and the DG Research represent access points for interest groups in the sector (Egeberg 2006b: 42). Such interest groups and European transnational organizations have institutionalized their participation in research as well as education, and some of them are are also sustained by European funding and support.

Links to sub-national actors and the European level do not exclusively run via the European associations and expertise networks. Administrative networks also include direct connections between the European Commission and individual universities and research groups. Evaluations of national participation in European programs have shown that they have spurred the establishment of administrative capacity within the universities that connects directly to the European level (e.g. Nuffic 2003; Pirrie et al. 2003; Vabø and Smeby 2003; Godø 2004). What we do not know is how stable these connections are and how they connect to other structures that make up university and national governance arrangements.

Investigating the dynamics of such networks is essential in order to understand European integration in these policy areas. The connections are a core part of both the European Research Area and the coordination of higher education activities in Europe. Multiple administrative networks challenge the conception of clear loci of control over research and higher education systems in Europe. A simple mapping of the structure of such networks would in itself be a major accomplishment as a step towards understanding the role they play in administrating the "Europe of Knowledge" – that is, the kind of means of governance they employ (see below). Studying such networks would give insight into the links that are forged between multiple levels of governance in Europe and how they handle various, in some respects, competing University traditions and perceptions of the role of research and higher education in contemporary society.

To start with, what kind of challenge – if any – to national systemic cohesion do the networks represent? They can be expected to represent varying challenges to the role of the nation state in higher education versus its role in the research sector. We could expect the restructuring of Europe as a research area to take place with less of a pivotal role of national ministerial level administration than in the case of the European Higher Education Area. Furthermore, what are the consequences of participation in such administrative structures across Europe? Do ways of thinking, identities and practices remain mainly nationally structured or do they become aligned with those developed in European networks, thus disconnecting from the operations of national or sub-national administrations?

Current administrative networks appear to be the sum of connections that over time have dovetailed the absorption of activities at the European level, rather than being the result of grand designs or reform by the Commission or national institutions. If that is the case then processes underlying the institutionalization of such connections have been incremental. Yet it does not necessarily follow that this will be the dynamics of capacity building at European level in the future. Rather we would expect that networks established across the Europe of Knowledge are important for paving the way for more sudden leap-frog developments in European integration. Traditionally the legitimation for creating new institutions at this level has not been strong. We know from the study of the early history of the European Community that building a supranational institution to emulate the University met with national resistance (Corbett 2005). Nevertheless, currently there are two major attempts of institution building, the establishment of the European Research Council (ERC) and the proposal for a European Institute of Technology (EIT), unfolding at the European level. Both speak directly to core aspects of the University as an institution and its work organization. The EIT is a proposal for common capacity building at the European level: building an academic institution with (semi)permanent staff, resources and a different kind of research organization than the model for European research collaboration embedded in the R&D Framework Program. Creating a common University organization that combines teaching and research is an innovation in the European context with respect to traditional ways of thinking about and organizing research. That is an unfolding experiment in research organization comparable to previous attempts in the earlier history of European integration. For example, what became The European University Institute in Florence was a diluted version of the vision of a European Community University proposed in 1955–1957 (Corbett 2005). Likewise the ERC indicates a different role for the European Union in basic research to be added to its traditional R&D policy focus.

Why do such institution building attempts merit a place on the research agenda? Institution building for research and higher education at the European level touches upon the principles of organization and funding, the perception of the role of the University, and the underlying vision of the University and academic research and the evaluations and assessments of higher education and research. These are rooted in national and institutional traditions, in different professional and disciplinary traditions, and they are framed by interests of actors. These meet and might collide in the process of crafting common institutions. Norms of assessment and the legitimacy of models for organizing and funding research and higher education that may be taken for granted within such traditions and other levels of governance, will have to be justified and argued at the European level. Some actors will succeed in having their interests, ideas and values taken up as the basis for the common European institutions while others will not. Latent tensions between different visions of the University and of the European level in research and higher education are likely to become manifest during the process. Both the proposal for the European Institute of Technology and the European Research Council are breaches with the dominant pattern of European cooperation in these areas, suggesting that a different kind of dynamic will come

into play than an incremental one, a phenomenon certainly deserving to be studied in some detail.

What happens when emerging European aspirations and institutions enter national higher education and research systems that traditionally have known a high level of system integration through national laws, regulations and funding? As national systemic borders are perforated nation states' ability to keep national University systems coherent is challenged, suggesting a process of "de-bordering" taking place (Bartolini 2005; Kohler-Koch 2005). Such de-bordering is not without tensions and the extent of and how de-bordering takes place will be conditioned by diverse national and, as we return to later, institutional realities.

Tensions between the levels of governance, closure and opening of institutional spheres and policy areas speak to changes in the relative strength of *who* controls research and higher education, and *from where* such control is exercised. Associated with these shifts are changes in *how* control is exercised and the dynamics of policy change with respect to the University. The University has prior to, and parallel to, European developments undergone changes that may have opened national research and higher education systems to transformations foreseen in the construction of a "Europe of Knowledge." At the national level, several studies have pointed to the shifts in governance that concern the University (Goedegebuure et al. 1993; Gornitzka and Maassen 2000b; Kogan et al. 2000; Maassen 2006), yet without an unequivocally unidirectional development towards one type of control mechanism and governance arrangement to the detriment of another. However, the study of governance in higher education has not included the systematic effect of the entry and institutionalization of the European level in a multi-level system of governance.

The European ambitions for redesigning the European University have been attached to various sets of levers of control that operate in interaction with the existing practices and means of coordination within universities and at the national and sub-national levels. The perforation of national systemic borders by the attempts to establish a European Research Area and a European Higher Education Area opens the territory also for the investigation of the effects and effectiveness of different means of control, from incentive based competition, standardization and ideational based modes of governance, to legal means of integration. How strongly European integration efforts will affect national systems depends on what holds these together (Kohler-Koch 2005).

Laying Down the Law

As argued by Katzenstein (2005), European integration is unique in that it is more rooted in legal integration than any process of regional cooperation anywhere in the world. Yet, according to the Treaties, the European level has had limited legal recourse in the higher education and research sectors, more limited for the former than

the latter (Shaw 1999; Guzzetti 1995; Banchoff 2003; de Elera 2006). National legal frameworks are still a basic component of what defines national borders of higher education and research systems. Yet, the impact of Europe on national higher education and research systems has come in the shape of legal integration. This concerns the interface the University and the "knowledge sectors" have with other institutional spheres that have consequences for the control over/regulation with respect to knowledge.

This is most prevalently evidenced in the interface of market and labor market regulations, where EU legislation regulates areas, such as staff working conditions, through the "service directive," and regulation concerning the use of biotechnology. EU directives in these fields assert (indirect) control over the basic functions of the University or over how the European University as a work organization can operate. EU regulations concerning the mutual recognition of qualifications and diplomas exemplify European regulation of academic knowledge, and the directive on mutual recognition of professional qualifications provides the framework for national rules that regulate how formal education can be converted into professional practice. In the latter case the University, its academic communities, and professional associations are the end implementers of an EU directive.

There are transformations of national legal frameworks that clearly have a European dimension yet are not cases of national transpositions of EU directives. The legal implications of boundary redrawing are already visible in higher education as the structural convergence of higher education systems are at the core of the EHEA. The national implementation of the Bologna process requires in practice revisions of national legal frameworks (chapter 7). There are also legal side effects ensuing from university participation in EU education programs. These are not instances where the national legal and regulatory order is penetrated by the legal system developed at the European level, but where such changes are implications of European integration.

The case of joint Master degree programs selected by the EC's Erasmus Mundus initiative, is a telling example of this. These programs operate in a grey zone between national legal frameworks and European level integration ambitions. National participation in the establishment of a joint Master degree program and the issuing of joint diplomas have de facto implied regulation changes at national level and changes in local rules. This is a consequence of an indirect pressure on national regulations from the institutions that are participating in this scheme. Pressure on national regulations and policies stems from the European Commission, but also from transnational actors, notably the European University Association (EUA) that actively promotes the development of joint degree programs, amongst other things, as part of its participation in the Bologna process.

Concurrently, during the last 10–15 years governments across Europe have revised their own legal frameworks that regulated their higher education systems. This offers cases for investigating core questions. What does change in the legal framework tell us about the role of law in the governance of the European University and in its different core activities? How is the European dimension reflected in changes in national University law? Is the legal framework for national systemic integration affected by

the ambitions to create European systemic integration, under the overarching norm of no European harmonization?

The search for a new pact may also be evidenced in such legal changes. The role of legal means of control over universities has traditionally varied across national systems: where some systems have relied on strong, detailed legal frameworks for regulating the operations of the University and for systemic integration, in other systems we have seen for some time now the reliance on framework laws. One hypothesis in this respect would be that the occurrence or adjustment to European integration is dependent on a loosening of the legal grip that national governments have over the University.

We can also expect differentiated effects according to what kind of University activity is subject to national law: teaching provisions compared to research. Traditionally, these areas have been subject to different legal regimes. Accordingly, we could hypothesize that the implementation of ERA is less dependent on changes in the national legal framework and thus less dependent on national law makers being alert to the European agenda.

Spreading the Idea

The literature on a new mode of governance has triggered an interest in the question of how policy coordination can be achieved without "hard law." Several dynamics have been seen as taking the place of the disciplinary and coordinating force of hard law and economic sanctions. The assumed dynamics of integration without law rest with the expected coordinating capacity of the convergence of ideas (Dehousse 2002: 15; Radaelli 2004). The power of definitions and framing of policy is visible in its effects on participation patterns and governance approaches (Ugland 2002).

The loud calls for radical reform of the University seem to form an overarching, converging idea in the European policy arenas. The simple question of how the expectation of reform and change of the University is executed would demand the unveiling of the chain connecting European developments and integration efforts to University dynamics. Although changes in policy theories in research and higher education policy seem to have been incremental rather than to come in the shape of sudden, paradigmatic shifts, the history of European integration in research as in higher education is also the story of *contested* ideas. The definition of both means and goals of research and higher education have been subject to controversy, for instance, with respect to the Framework Programs and in the ideas of ERA (Banchoff 2003) or when the Commission's Memorandum on Higher Education (Commission 1991) was severely opposed by the member states on grounds of its obvious economic tilt (Petit 2002: 17–18). Such contestations have come to the fore in the attempts to subordinate research to the goals of innovation policy or higher education to labor market policy.

Ideational shifts are important to examine also because of their implications for the national sensitivity of policy areas and thus the propensity for transfer of legal competencies to the supranational level and the implications for types of governance across levels. Higher education, especially when framed as vocational training, has in

the 30+ years of EU involvement in education been less nationally sensitive than compulsory education, and education defined as economic policy has been less nationally sensitive than when defined as part of the cultural policy areas.

Issues of definition are not once and for all settled and politically neutral, and carry considerable tensions and implications concerning the actors that will have a legitimate say in control over knowledge. These contestations run along party political, national, sectoral lines, as well as between levels of governance. They can be seen in the everyday interactions that take place in the many policy arenas and sub-arenas at the European level and interactions across levels of governance.

Current integration processes in these sectors revolve around organizing information exchange and common European surveillance, be it through formal information networks, initiatives such as ERAWATCH or statistical integration. The role of ideas in the de-bordering of the European University is striking in the prehistory of EHEA and ERA (see chapters 7 and 8). Policy ideas concerning the European University that were until recently "unthinkable," have become ideas "whose time has come" (Corbett 2005); in the context of the Bologna process, the European Research Area and the Lisbon strategy process their desirability seems to be taken for granted.

Against this view one can argue that when the "real" means of control are absent, pushing ideas formulated as common understanding or common European ambitions is a bland, toothless substitute. However, the transformation from unthinkable to what is commonly accepted relies on the presence of institutional carriers of ideas and organizational capacity in the shape of supranational executive networks of policy making that can store, develop and spread such ideas. Changes in the organization of policy making, for instance, inform us about changes in underlying ideas of research and higher education policy; how these are framed and how some sectoral aspects are organized to be coordinated while others are organizationally separated (Steunenberg 2002; Egeberg 2006b). This can be illustrated by pointing to the change in the Council configuration from a separate Research Council to a Competitiveness Council, or when the Commission reorganizes its portfolios (Guzzetti 1995; Corbett 2005; Spencer and Stevens 2006).

Likewise the processes that explicitly organize common European agenda setting, policy learning and transfer can accelerate ideational shifts. This should be framed as a research question for critically examining the impact on European policies that are based on a cognitive logic (Knill 2001: 221), that is, changing the beliefs of actors at national and sub-national levels, under the following main condition. The spreading of ideas, agendas, ambitions occur through organized networks and institutions. Ideas and normative understanding underlying the modernization of the European University are not "free-flowing" *zeitgeists* but are promulgated by institutions that carry some version of University visions elaborated in this Volume. Further they are also subject to competing interpretations, as well as to learning.

A sober understanding of such means of European integration needs to take into account the parallel or interactive development and interpretations of ideas that take place in national reform processes. This is a question of the processes and actors that define the frame and agenda for the modernization of the European University. The

transformative effect of such framing is largely dependent on whether ideas match and confirm domestic understandings or the extent to which they run counter to them. Arguably, the effect of European ideas depends on the national contingencies and circumstances as when European commonly defined ambitions can be used to push and legitimate national reform agendas. The evidence of such effects are starting to surface in the literature on the domestic adaptation to the Bologna Declaration (Gornitzka 2006; Witte 2006), but can also be expected to operate when ambitions of research investments, policies for bridging the gap between University and industry and so on, are spread throughout Europe.

Setting the Standards

Ideas can harden into explicit standards elaborated in European processes and agreed on by EU institutions. Standards can be seen as a form of regulation that produces order as an alternative or supplement to hierarchies and market coordination (Brunsson and Jacobsson 2000). Standards are particularly amenable in areas of social interaction where states or other sub-national actors have regulatory autonomy (Kerwer 2005), as is the case with respect to the European University. With the development within the University and in its environment a strong focus should be directed on how European standards are formulated, how they function across levels of governance, and across diverse national and institutional settings. Standards are certainly not a new invention in the higher education sector, with its auditing and accreditation structures and procedures. Peer review and collegial control according to academic standards and the assessment of quality have been an integral part of the research and teaching and learning process. Setting of standards at the national level, for example, concerning common national curricula, is not alien to the University.

The element that separates the latest developments from the institutional traditions in this area is that standards (especially in the area of quality assurance) have been formalized and moved out of the academic arena into an administrative or political-administrative sphere. National agencies organize the production and use of standards of assessment and accreditation. Such standards are being defined in interactions across levels of governance and the development of a European level of governance, including its organization and means of coordination. Few other areas are able to demonstrate so amply how European cooperation in interaction with other international developments affects how control over knowledge is being exercised.

There is a strong European element in the rise and spread of quality assurance regimes that has been firmly put on the agenda by the Bologna process. Yet there are domain contestations as to what arenas and what standard sets should become institutionalized and what kinds of organizational solutions to setting and using quality assessment standards should be supported. For example, the proposal of the European Commission to develop institutional arrangements at a European level in the area of quality assessment, assurance and certification has not been accepted – instead the embryonic compromise is the network of national agencies and a register of accreditation agencies organized at the European level.

The development and use of quality assessment standards in Europe is thus a potentially rich case for studying the linkages of various actors, that is, national governments, national agencies, private agencies, universities and academic associations, educational experts, and transnational and international organizations that are involved in the development of such standards. This includes the relative impact of European standards and the issue how standards become effective. Likewise the intergovernmental arena (the Bologna process is the prime example) has in particular resorted to development of standards for assessments that are argued on the basis of "compatibility" and that directly addressed the core aspects of University functions. On the research policy side, European standards have been developed and recommended for use on essential academic staff issues across Europe, as set in the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers (Commission 2003b).

Very little is known about how such standards are dealt with at different levels of governance and among different actors in the university sector, and also what national or institutional conditions work as filters for or insulation against the penetration of European standards in local practices. There is very little systematic investigation of whether the growing volume of European standards promulgated with intensity at European arenas can best be seen as symbolic standards affirming European common values and ideas, as European or national policy instruments for auditing and oversight or as standards developed as market information to make cross border and cross systemic interaction possible.

This means primarily that the role of standards has to be investigated in the context of the use and development of standards nationally, especially at the level of national agencies. National and European standards could be developed parallel with each other where the latter amplifies the former, or it could be that European standards come in addition to national ones or that national regulation produces a "double whammy" of formalized rules (Hood et al. 2004: 16). If European standards are directly presented to the University, as in case of market information standards, then we expect new standardized rules without the reduction of state rules. When European standards hit the University via the changes in the national sets of rules, then such a double whammy pattern does not necessarily follow, as might be expected in academic staff issues. On the other hand, European standards might represent a formalization of control of academic practices, as is likely in the case of quality assurance and accreditation.

Similarly *quantified standards* are being developed and used as an alternative to hard law. These are fashioned as systemic performance indicators. In terms of ideational based control, indicators are significant because they black-box certain world views. Once a statistical category is established, the priority given to longitudinal comparison makes it hard to change. We can assume that such quantified standards play varying roles in multi-level governance. At the European level such numerical information is important in a dual function. According to a naming-shaming logic, national governments and their national system will accelerate their efforts to conform to common goals through reputational control. On the other hand numerical

standards mobilize bias (Sverdrup 2006: 105) and thus become a means of conceptual and idea-based convergence. At national and institutional levels, information on good performance (i.e. increasingly set in the form of European harmonized, statistical categories) is converted into authoritative resource rewards and penalties (Kogan 2005: 17), at least in some national systems. There is a good case here to be made for studying the parallel or interactive development of quantified information-based systems of governance at the European, national, sub-national and even possibly University level.

We would expect to see differentiated effects of standardization as a means of control in this sector. A likely assumption is that in areas where there has been relatively little rule-based interaction between national governments and the universities, and where consequently there are few institutionally entrenched practices and perspective. European set standards will penetrate more easily compared to areas that is covered by well-established regulative frameworks. If administrative capacity is built up around European standards the national take up of European standards will be easier.

We suggest that national agencies, such as research councils or quality assessment agencies, are the core institutions to study. They represent the government apparatus that is set to effectuate standards. And to the extent that these agencies are connected to European level and other national agencies, they could serve as channels for spreading the application of European standards.

Paying the Price

The ubiquity of numerical information and European numerical integration (Sverdrup 2006: 105) can also be linked to the changes in the funding mechanism. Quantification of knowledge on university and system performance is linked to the shift in the perspective on the University. If universities are expected to produce on demand and get paid on delivery (Fuller 2003) and governments are to fund the University more according to "what they do" than for "what they are," then information of what they do is a prerequisite.

Concerning the funding basis of the University, in a number of countries attempts have been made to redistribute the public funds for education on the basis of performance or other non-traditional criteria. However, for various reasons the end-effects are not always according to intended redistribution. Usually the recommendations with respect to new funding mechanisms have been "modified" by institutional representatives, especially from the institutions that threatened to lose funds in the intended redistribution. An exception in this is formed by the UK where the part of the university budget that is covered by the public governmental grant is in general lower than on the continent (Lepori et al. 2005), and the universities are promoted to further generate their own funds from a variety of external sources (e.g. sponsorship, tuition fees, and donations).

The extent to which students and their parents should be paying the price is in some systems one of the most contested issues. Concerning tuition fees a wide variety of trends, initiatives and developments can be observed throughout the EU. National

governments do not allow the universities to determine the level of the tuition fees they can charge for their programs themselves, if they can charge a tuition fee at all. Organizational autonomy with respect to the level of the tuition fee only exists in some cases, such as Denmark, the Netherlands and the UK where the universities are expected to use special tuition fee levels for non-European students, allowing the universities to charge the costs of their education to (specific groups of) non-EU students. Clearly, the funding issue is at the core of lowering the national systemic borders and establishing new boundaries around Europe. The European Court of Justice's decision on fee payments – the so-called Gravier Judgment – has been one key element in the development of European education policy and continues to be so.

As indicated, there is evidence suggesting that changes in the share of public funding of the European University have been modest over the last decade, at least from an international comparative perspective. Although there are exceptions, for example, in the UK where the state is no longer the primary funder of all higher education institutions, stability rather than change can be said to characterize the sector in a European perspective. In general the last decade has not resulted in a decrease in the available resources for higher education institutions. One can witness a decrease in the share of governmental appropriations and an increase in grants and contracts, but this shift has not substantially altered the distribution of the institutions' funding pies (CHINC 2006).

However, even if the share of public funding has been rather stable, there is evidence that the form of funding has been changing more. Over the last decade more emphasis has been given to interdisciplinary and applied research as well as commercialized research and patenting (CHINC 2006). So competition between universities, and between the universities and other entities, has become a stronger element of the control regime of European universities. Likewise, changes in level of funding and funding mechanism might affect the diversity and stratification of higher education institutions across Europe.

Changes in funding patterns of a key social institution are not trivial matters. Who pays for the University is a question of redistribution of resources. At the European level we see it in, for example, the battles over the level and profile of the Framework Programs. The justification for seeing this as part of a research agenda sketched out here, rests on the assumption that it conditions the dynamics of European integration in this sector.

First, European integration directly affects the University, since the European Union is a modest but strategically important funder that generates additional R&D efforts and additional funding (Godø 2004: 99–101) and is involved in funding student/staff mobility. Much of the EU research policy since the first R&D programs has relied on incentives for cooperation across borders within Europe. Attempts to connect national research programs (ERA-NET) embody the European ambition to couple and align national research funding within the EU/EEA area. The issue of funding is linked to how the University can operate in a European Research Area or for that matter European Higher Education Area (EHEA) as in a European "knowledge market."

Whether this means that European universities are becoming more closely related to and dependent upon external stakeholders is an issue of study that remains to be examined. Also there is significant differentiation within and between higher education institutions when it comes to operating in a European research and higher education market. Given, for example, the nature and size of the various thematic priority areas in the EUs Framework Programs, it is obvious that traditional research universities and within them faculties, departments and research centers in specific disciplines, such as medicine, informatics, natural sciences and engineering, clearly are in a more advantageous position in this compared to, for example, teacher training colleges. De-bordering of national systems is likely to create losers and winners.

Another question is to investigate what kind of (new) relationships are emerging as a consequence of the growing importance of the Lisbon strategy's social and economic issues underlying the university research agendas. Given the competition in the emerging applied and "strategic" research market, one trend that is becoming more visible is the search for "excellence" and new ways to organize and promote research. It is likely that the price to be paid in this area will include internal restructuring of universities, new forms of research governance, and more comparable performance measures and indicators.

CONSEQUENCES FOR THE UNIVERSITY

For the European University the aspirations voiced at the European level, national level and by other constituents of the European University address essential questions concerning its core activities. These aspirations are related first and foremost to the quality of the European University. The reform agendas and policy aspirations towards the University are driven, amongst other things, by the expected contribution of universities to the "knowledge economy" and the perceived "lagging behind" of the European University in comparison with universities in other parts of the world. The perceived "under-performance" of the University forms the rationale behind deliberate attempts to reform the European University. These reform attempts, and other potential impacts of European integration processes, travel through several layers of governance, and operate through different means of control. Just as we have argued that such effects are conditioned by various national realities we see the potential impact of European integration on the University as conditioned by institutional realities and characteristics of the University's internal dynamics.

One such characteristic concerns autonomy. The University as institution and as an object of public policy is veiled in many layers of autonomy. The research and education sectors are in many national systems marked by norms of self-regulation. Relative academic autonomy and academic freedom, the sanctity of the class room and the lecture hall, organizational and disciplinary autonomy, educational organizations as loosely coupled systems, are all elements in what constitutes a challenge for hierarchical control in this sector. As public institutions universities are both state

dependent and independent; both positions are argued on the basis of the nature of function the University performs. The traditional interpretation has allowed a higher degree of discretion for the University and the academics than for other public organizations that are subject to direct national lines of command to a national authority such as the military, tax authorities or social security services (Kogan and Hanney 2000: 22–24), and the means of control over University conduct are less directly hierarchical and more based on competition and mutuality than in many other public policy areas (Hood et al. 2004).

The degrees of academic and institutional autonomy of the University vary across systems, over time and over different activities of the University. As duly noted in this volume, variations in autonomy are linked to the kind of vision that forms the basis for University governance arrangements. Yet the point to be made here is that the study of the impact of European integration on University dynamics will represent the study of integration under conditions of comparatively high sub-national actor autonomy. This makes such a study amenable to cross-sector comparisons in areas were such conditions are less present.

The core functions related first to the teaching and learning activities, and second to the research endeavors of the University, are characterized by different kinds of dynamics. Teaching and learning as the basic activities of the University are strongly embedded in the organization of the University. As an educational institution it is an entity whose practices are subject to a, mainly nationally determined, regime of formal rules that regulate access of students, teaching requirements, curricular development and program provisions. In this regime especially the structure of teaching provisions (study plan), what is taught (curriculum development, program innovation), and how teaching and learning are assessed (quality assessment of teaching, credit assessment, recognition of qualifications) have an (emerging) European dimension.

Studies of curriculum change suggest that the very concept of learning within the University is changing – away from the idea that universities should teach students traditional academic competencies and occupational or professional skills, towards a "learning to learn paradigm" that consists of new competencies and skills closely associated with the essential characteristics of the knowledge society (Bleiklie 2005). This might be seen not so much as a new conceptualization but rather as a reactivation of some of the core ideas contained by the Humboldtian vision (chapter 3).

Nevertheless, this "new learning paradigm" has been a core ideational frame of reference for European education policy. Also more limited, deliberate attempts of European systemic curriculum integration at the level of academic disciplines can be observed, for example, the "European Core Curriculum" (Bache 2006) and the EU-funded "Tuning Project," are addressing conditions to make an internal "knowledge market" work, as well as for European identity building. If professional, educational and disciplinary competencies and identifications are being defined in European terms rather than in national terms, that should be taken as a sign that a de-nationalization of the European University is accompanied by European re-bordering.

The point of interest here is whether shifts in ideas, changes in degree structures and European curricular alignments, and criteria of assessment challenge existing

knowledge regimes and the national or institutional boundaries that uphold national systemic integration as well as the institutional identity of the University. How much of a challenge such changes represent we would expect to be dependent on the strength of national integration, and on internal governance arrangements that regulate the teaching/learning as well as disciplinary differences.

From previous studies we know that European universities in the 1980s and 1990s tended to protect their traditional degree programs. External demands for new teaching provisions led, for instance, to new structures outside the core organization or they were dealt with in separate, marginal pockets of the core organization thereby combining adaptation and continuity (Gornitzka and Maassen 2003). Such a pattern of change might not be sustainable in a situation of a confluence of change processes that mix national reform efforts with European intergovernmental and transnational cooperation.

The research function of the University is less embedded in the individual university organization than the teaching function. It has the academic discipline as one of its main basic sources of academic belief (Clark 1983) and is therefore less reliant on the University qua formal organization, and less contained by organizational and national borders. Analysis of academic research has taken the structure and nature of academic disciplines as the locus of the dynamics of science and has assumed that the cognitive and social structures of academic disciplines are the main determinants for the dynamics of university research (Becher 1989).

There is evidence of patterns of change in research practices that suggest a lowering of boundaries between the University and its environment. There are increased university research collaborations with industry, and with other types of research organizations. Increasingly university researchers also collaborate and co-publish with researchers across national borders in all geographical directions, but especially within Europe (cf. e.g. Gulbrandsen and Smeby 2005; Smeby and Trondal 2005; RCN 2005). Some report, especially in the context of the US University, a shift in the norms of academia that can be associated with the funding and organization of research (Guston and Kenniston 1994; Slaughter and Leslie 1997). Other studies have reported normative resilience among academics even under new organizational and funding arrangements (Mathisen 1994; Gulbrandsen and Langfeldt 2005; Marton 2005). The literature on University Triple Helix (Etzkovitz and Leydesdorff 1997) and "mode I versus II" (Gibbons et al. 1994; Novotny et al. 2001) suggests that this amounts to a *fundamental* change in the nature of knowledge production, from a disciplinary to a trans-disciplinary mode, blurring the boundaries between the University and other actors in the research process. It is still debatable whether this conceptual shift rests upon a substantial transformation of research practices or represents advances in the theoretical understanding of the dynamics of research.

Changes in the University's basic activities of academic research, and teaching and learning, as well as in institutional organization, governance and funding pointed to in this volume, present the contours of the circumstances under which European integration encounters the University. The loss or weakening of the boundaries of the

University, be it national borders or borders towards industry, is not just a question of changes in the material conditions of the University but of the University's identity. The long history of institutionalized cross-border identity and the universality of the University are not obviously compatible with European re-bordering and a distinct European mission for the University.

The reform agenda for the University that is promoted at the European level, the Bologna process, the supranational direct instruments of the ERA concept and the OMC address most of these changes, as do side-effects and indirect effects of European integration processes in other areas. Yet, there are no foregone conclusions to be made as to how strong a role European integration is playing with respect to the dynamics of the University, other than that we expect that current patterns of change and characteristics of University dynamics create varying conditions for the impact of European integration on the basic activities and the work organization of the University.

Notwithstanding the different points of origin and the different trajectories that have ensued, the EU's research and higher education policy are addressing the same key societal institution. That allows us to test assumptions of differentiated effects of European integration even within the same unit of study, according to differences (1) in the nature and traditions of European institutions and at national level in research policy versus higher education, and (2) differences in governance and means and degrees of control over teaching/learning as opposed research. One overall working hypothesis is that given these differing conditions for integration, the dynamics of European integration with respect to teaching and learning would be more intergovernmental, state-led and regulatory based than in the case of academic research. As such this can be expected to be de-bordering under government control (Kohler-Koch 2005). European integration with respect to research can be expected to be more challenging to the national systemic control and more based on competition as the means of control. If this is indeed the case than the general picture painted is of a University in search of new pact under very complex conditions.

BEYOND EUROPE

The de- and re-bordering of the European University calls for a comparative baseline, yet in much of the EU studies a *sui generis* approach has implied that little reference has been made to studies of political integration and governance outside Europe as a region. Consequently, these studies largely overlook the comparison with other political systems and other processes of regional integration (Katzenstein 2005; Checkel 2007). Such a position misses the potential for both highlighting European uniqueness and demystifying it by not going beyond Europe, similar to the fruitful analytical angles that are missed in higher education studies by taking the university sector as their *sui generis*.

The need to expand the research agenda beyond Europe also arises from the universal character of the University. The University's basic processes can be seen as

inherently transnational and global. In this sense the essential dynamics of academic research and teaching tug at national borders and the means with which these have been upheld. The University can evoke a history of more than 900 years, and it has survived the rise and fall of national states and the fluctuations of national borders. The academic world has a history of common transnational identity that belonged to the medieval roots of the University (Neave 2001). Also the University is one of the European institutions that have been exported successfully on a global scale. Thus the study of European integration and the University offers a case where underneath or parallel to national and local identities a global or European identity can be evoked.

While the University can be seen as a "trustee of the European humanist tradition," its inherent transnational nature "transcends geographical and political frontiers" (cf. The Magna Charta Universitatum, and chapter 2). Consequently it does not follow naturally to resurrect the boundaries of research and higher education around Europe as an "Area." The current emphasis on modernizing the University implies not only the de-bordering of "outdated" national research and higher education systems but also the setting and raising of boundaries around Europe.[150] The idea that "knowledge knows no borders" and the universality of the University contrast, for instance, with saluting the mobility of academic staff and students within Europe while seeing mobility to outside Europe as a question of "brain drain."

In policy documents the dynamics of "Europe's major competitors" is a frequent reference, and a range of untested assumptions of how universities and university systems operate in particularly the US setting are made. The USA has currently the best research universities around that form the benchmark for the rest of the world. The success of US higher education and academic research is assumed to be the result of the marketization of US universities, high private investments in education and research coupled with a weak state. The explanation of the leading US position in higher education globally is sought in the use since the early 1980s of market forces for the governance of higher education (Maassen 2006). As pointed to in chapter 6, the vision of the University as a service enterprise comes closest to being developed as a "mono-culture" in the USA.

On the other hand, the assumptions underlying this vision are not fulfilled by the empirical examples of US universities and other systems, such as Australia, where universities have come a long way in marketization and commercialization of their activities. What the empirical studies of the US universities show is rather a paradox of the marketplace (Geiger 2004: 265):

"The marketplace has brought universities greater resources, better students; a far larger capacity for advancing knowledge; and a more productive role in the US economy. At the same time it has diminished the sovereignty of universities over their own activities; weakened their mission of serving the public; and

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[150] "The EU has committed itself to building a European Research Area (ERA) that will overcome outdated geographical, institutional, disciplinary and sectoral boundaries. The ERA will extend the single European market to the world of research and technological development, ensuring open and transparent trade in scientific and technological skills, ideas and know-how" (Commission 2004b: 4).

created through growing commercial entanglements at least the potential for undermining their privileged role as disinterested arbiters of knowledge."

The diagnosed gap between the US universities and European universities is also a question of what kind of criteria and objectives that are used to assess performance.

Beyond challenging the dominant diagnosis of the USA – Europe differences, and the apparent "lagging behind" of European universities, the cross-Atlantic reference lends itself to the comparative investigation of governance in multi-levels systems of different kinds. The role of the US state-level as compared to the federal level, indicates that when it comes to marketization the state level has increased the regulative grip on universities and has relied more heavily on the standardization of market information to the customers of the University. Which then leads us to a core comparative question: What is role of the state and federal level for the "USA of Knowledge" as compared to the role of the EU and nation state in the "Europe of Knowledge"? A hypothesis is that with respect to higher education the institutional build-up in Europe is in many respects more federal than in the US. However, with respect to research we can observe the reverse situation. The institutional perspective on regional integration taken as a starting point in this volume could be put to the test in such a comparison. The main items we have put on the research agenda, institutional makeup and history of different levels of governance, and the changes in means of control, will benefit from adding such a comparative light.

Obviously, this part of the research agenda should not be limited to a Europe-USA comparison. Also other non-European higher education systems, inside (e.g. Australia, Canada, Japan, and South Korea), as well as outside the OECD area (e.g. Brazil, China, India, Russia and South Africa), are going through far-reaching processes of institutional reform and change, the study of which might contribute to a better understanding of the specific institutional dynamics of the European University.

CONCLUSION

The perspective on University dynamics and European integration offered in this volume implies a research agenda that directs our attention to shifts in control over knowledge. We have explored the interactions and tensions between, and the shifting importance of, levels of governance, policy areas, institutional spheres, actors, and means of governance. The current transformations have been interpreted to lead the University into a situation where the relationship between state, society and the University is redefined and reorganized. This involves more than the marginal adjustments to changing circumstances. Taken together the ongoing processes amount to a search for a new foundational pact for a key European institution. The University dynamics is part of a higher education and research landscape in Europe of which constitutive identities and systemic borders are in the process of being redefined and possibly transcended. As such the ongoing processes offer a laboratory for studying the dynamics of change within, and in the environment of, a key institution with unique traditions and a history that spans many centuries.

We have argued for the need to study European integration and its impact upon the University against the background of a long-term institutionalization of a European dimension of teaching, learning and scientific research. Over time the European level has become the locus of complex interactions that connect different levels of governance, not primarily as grandstand European integration, but characterized by many smaller, composite and intricate processes of change. This has been the platform where battles over Community programs have been fought; where national governments have grabbed a hold of and accelerated European integration outside EU institutions in the Bologna process; and where leaps have been made inside the established patterns of cooperation and coordination.

There are many different types of processes of European cooperation, coordination and integration that pertain to changes in the parameters of the primary activities of the University, teaching and research. In the current political language these processes are referred to as belonging to a "Europe of Knowledge" and to the efforts to create European areas of higher education and research. These processes are traceable and can be studied empirically down to the level of local practice, in order to see whether European integration initiatives have penetrated the University all the way into its basic activities, that is, the day-to-day teaching and learning activities and research endeavors. It is a potent area for theory-based empirical studies of the multi-level character of the political order of Europe that accommodate the need go beyond the study of European integration as merely involving the two levels of governance – that is, the relationship between the European level and state level – and to adequately address the sub-national, operational level.

While the main ambition has been to shed light upon the dynamics of the European University, the proposed research agenda also offers an encore. The agenda is, for several reasons, likely to contribute to a better understanding of European integration in general.

First, in the EU different policy sectors are differently organized and governed and research on European integration cannot but benefit from broadening the range of sectors and institutional spheres that constitute its basis for analysis.

Second, much of European integration theory has been founded on analyses of economic sectors and objectives, and in particular on studies of the European Community as market building. In comparison, researching the University enables a theoretical understanding based on integration also of the European cultural sphere and the University as an institution standing in the area of tension between economy and culture, and between national political ambition and market adjustment. The four visions elaborated make the case for understanding the University in its different dimensions and suggest that understanding the effects of European integration on the University feeds our insights into the dynamics of European integration that a focus on economic integration alone cannot.

Third, University studies may teach us something about comparative and non-synchronized dynamics and the conditions under which integration is likely to speed up or stagnate. At a time when the European Union in many aspects is at a hold, the European integration efforts aimed directly at the University are intensifying and are

representing a period of experimentation and innovation. The level of aspiration has been raised and deliberate efforts of integration and coordination have gained considerable momentum the past five years. This development is in particular surprising on the backdrop of earlier observations of higher education and research as a policy area where European integration has been difficult due to national political sensitivity and systemic diversity.

Finally, exactly because the European University is involved in a search for a new foundational pact, and therefore in inter-institutional processes, studies of University dynamics may help counteract the tendency in integration research to focus on a single institution or policy area.