Chapter 2
Trust and Higher Education Governance in Norway and the United Kingdom

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> *We are producing generations of cynical citizens with little trust in one another, much less in their governments. Given the central role of trust in solving social dilemmas, we may be creating the very conditions that undermine our own democratic ways of life*
>
> Elinor Ostrom (1998: 20)

Introduction

With the emergence of the modern research university in Germany at the end of the eighteenth century, a new academic era started which laid the groundwork for the massified higher education systems emerging around the world from the 1950s on. In the early part of this new era, Wilhelm von Humboldt and John Henry Newman introduced highly influential ideas on the 'modern university', which formed an important part of the foundation for the pact (or social contract) that has cemented a relatively stable relationship between higher education and society for most of the last two centuries.

The ideas of the university introduced by Newman and von Humboldt are still regarded as relevant, in the sense that they are regularly turned to for insights on

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how to deal with current higher education challenges.[1] However, these ideas were developed at a time when enrolment levels were low and students male, white, and elite, without major societal or political worries about costs, socio-economic relevance, and hardly any international competition for students, staff, funding and prestige. These circumstances are very different from the situation universities and colleges face nowadays: traditional trust-based relationships between higher education and society are being eroded and higher education is searching for a new pact with society[2] (Gornitzka et al., 2007: 183–184; Olsen, 2007: 25).

In this chapter, recent developments in the relationship between higher education and society are discussed from the perspective of higher education's changing pact with society. Starting-point in this discussion is the growing inter-country variety when it comes to public governance in general and higher education governance in particular (Gornitzka & Maassen, 2000; Graf, 2009; Capano et al., 2015), as illustrated by the two national cases covered in this Volume, Norway and the United Kingdom. The varieties in public governance among the two countries are significant, despite some common features and intentions in their higher education reform agendas. These can be argued to be inspired by a global New Public Management (NPM) reform narrative that has dominated policy discourses on higher education governance in the OECD member states since the 1980s (Gornitzka & Maassen, 2014). Key elements in this narrative are:

- Less government steering and more direct interactions between higher education and society, especially the private sector.
- Traditional higher education funding models that are characterised by high levels of input-oriented basic public funding have a negative influence on higher education quality and efficiency. They should be replaced by more competitive, diversified funding regimes, including tuition fees and competitive private funding.
- The need for professional and executive leadership and management functions in HEIs and executive institutional boards, with external members.
- Enhanced institutional autonomy combined with increased accountability and reporting requirements/obligations.
- Performance agreements or contracts, not only between HEIs and public authorities, but also within the universities and colleges.

Despite the similarities in the reform agendas, the implementation of the reforms reveals quite fundamental differences between Norway and the United Kingdom in the higher education funding approaches and institutional governance structures, including less reliance on competitive funding and more emphasis on democratic co-determination in institutional governance in Norwegian higher education. The

[1] On the assumed enduring relevance of John Henry Newman's idea of the university, see, for example: https://www.theguardian.com/commentisfree/2010/oct/20/john-henry-newman-idea-university-soul; for the continuous relevance of Wilhelm von Humboldt's ideas, see, for example, Nybom (2007).

[2] As an example of national initiatives for developing a new pact, see Germany, with its federal Pact for Research and Innovation (https://www.research-in-germany.org/en/research-landscape/r-and-d-policy-framework/pact-for-research-and-innovation.html), and its federal *Hochschulpakt 2020* (Higher Education Pact 2020), https://www.bmbf.de/de/hochschulpakt-2020-506.html

differences in reform outcomes can be explained, for example, from the perspective of ideological differences underlying the political economies of United Kingdom and Norway (Hall & Soskice, 2001). The Norwegian case is in this illustrative for the relatively moderate adaptations introduced in higher education funding and governance in Northwestern Continental Europe over the last two decades (De Boer & Maassen, 2020) compared to the more fundamental changes in the United Kingdom (Collini, 2020).

The impacts of the Covid-19 pandemic have seriously challenged key aspects of the NPM higher education governance narrative, in the sense that they show the vulnerability of higher education systems that have become very dependent on competitive sources of income. The pandemic has caused, for example, a dramatic drop in international student mobility (both full degree and exchange students). This resulted in serious budget problems for universities in the United Kingdom and other countries that over the last decades have increasingly relied on tuition fees income from their international students. In Norway on the other hand, the government has continuously rejected to introduce tuition fees for national and/or international students, despite recommendations in this from, for example, the OECD. As a consequence, while also Norwegian higher education institutions have to deal with the impact of the pandemic on its primary processes, e.g. in the form of shifting to online education, and disallowing international travels for academic staff, the pandemic has had negligible budgetary consequences for the Norwegian universities and colleges.

The Covid-19 pandemic has exposed in a number of respects the one-sidedness of the NPM governance narrative in its emphasis on, for example, the benefits of diversified, private sources of income, the positive impact of competition and executive institutional leadership, and the need for high levels of formal institutional autonomy combined with far-reaching accountability and reporting requirements. While in both Norway and United Kingdom the possible long-term impacts of the pandemic on higher education are being discussed, the chapters in this Volume provide various insights into the differences between the two countries in the nature of these discussions, the national and institutional contexts in which they take place, and the level of trust in higher education.

We will start in this chapter with introducing some general features of the concept of trust, followed by a discussion of how personal and social trust can be of relevance for getting a better understanding of the role of higher education in enhancing social trust. Next, we will discuss current challenges with respect to higher education's pact with society, after which we will reflect upon the current position of higher education in society. This is followed by a discussion on recent developments in national and organisation level governance in higher education, and the relationship between trust and formal control in organisational governance.

The Concept of Trust

Lane (1998) identified three elements academic definitions of trust have in common. First, there is a degree of interdependence between the trustor and the trustee. Second, trust is a way to deal with risk and uncertainty in exchange relationships. Third, there is the assumption that the vulnerability caused by taking a risk in trusting another actor will not be misused. While practically all definitions of trust share these three features, the main difference among them lies in the interpretations of how a trusted relationship between the trustor and the trustee can develop. In these interpretations, disciplinary differences in the approaches to the concept of trust can be identified (Lane & Bachmann, 1998). From an economic perspective, for example, developing trust can be regarded as a matter of rational calculations about whether it is advantageous to trust others or not. From a sociological perspective, trust can be established either by a moral belief that trusting others is the right thing to do or by various forms of cognitive processes, for example, by social similarity or cultural congruence (Zucker, 1986). Following this divide, Stensaker and Gornitzka (2009) have argued that there are two main perspectives on how to achieve trust – a rationalist-instrumental and a normative-cognitive perspective.

The rationalist-instrumental perspective assumes that individual actors will follow the logic of consequentiality. This implies that an individual is expected to pursue his/her self-interest and maximise his/her own utility. Social order and predictability are realised through making sure that behaviour can be controlled and incentives are in place so that it is in the individual's self-interest not to cheat, lie, and engage to get a free ride (Olson, 1965). Others can be trusted to the extent that there are effective mechanisms of control or appropriate incentives, especially when it comes to regulating the behaviour of individuals when the rational pursuit of individual gains might produce outcomes that would be collectively undesirable (Sako, 1998). Without sticks and carrots, others will not necessarily act in trustworthy ways. This implies that according to this perspective social order in essence is based on rationality and exchange (March & Olsen, 1989, 1995). An important aspect in the establishment and maintenance of trust in higher education from this perspective is the role of independent actors and auditors, who are assigned to check the quality, efficiency and effectiveness of higher education and are assumed to be trusted by all actors involved. Consequently, procedures, standards, and rules established by independent quality assessment agencies and auditors are proxies of trust. However, the need for agencies and auditors to introduce procedures, standards and rules, with the aim to build trust, could produce the opposite outcome, in the form of decreasing levels of trust, thereby leading to the need for further rule-based valuation, monitoring, auditing and assessment (Power, 1997, 2004; see also Sahlin, 2016: 131–132).

From a normative-cognitive perspective, trust is created by the existence of strong norms, rules, and values concerning the right behaviour of actors involved in a relationship. It is assumed that the internalisation of these norms, rules, and values by all involved actors results in trust, since it is taken for granted that everybody should and will adhere to them. Relatively stable sets of norms, values, and rules

underpin social relations and create a sense of belonging to a community. Social order is based on a common history, on obligation and reason (March & Olsen, 1989). It involves the socialisation into rules, values, and norms, but also the accumulated tacit knowledge rooted in experience-based learning. Norms, values, and rules are carried and embodied in social institutions and trust is created through the existence of institutions at which trust is directed. This implies that trust is achieved when actors, over time, demonstrate accountability through the results and outcomes produced. In a higher education setting, the reputation and status of a given university or college, involved politicians and bureaucrats, and sector agencies, will then become proxies for trust.

These two perspectives and their variants can be combined in a number of ways; they are sometimes blurring and overlapping, but they can also be read as an overview of how trust has been conceptualised in recent years (Stensaker & Gornitzka, 2009). Hence, a trustor will normally not engage in 'blind trust', but will use a combination of calculative (if possible) and norm-based judgements pointing to the indication that trust is a 'hybrid phenomenon' positioned between calculation and predictability, and goodwill and voluntary exposure to risk (Bachmann, 1998). In addition, time and resources are limited and hence overcoming low levels of trust by information seeking and checking the accuracy of information incurs heavy costs. Trusting may only be rational if the costs of low trust weigh heavier than its gains.

These two disciplinary perspectives are also of relevance for understanding how trust relates to other concepts. Hardy et al. (1998) have, for example, discussed the relationship between trust and power. They argue that cooperative relations that appear to reflect trust can hide asymmetrical power relationships where one of the actors is forced to trust the other because of the potential negative sanctions the other actor controls (see also De Boer, 2002). In this way, power can, at least in some situations, be seen as a way to replace trust in coordinating social interactions. Hence, trust, power, and risk are heavily intertwined concepts. As underlined by Bachman (2001: 342) "trust absorbs uncertainty and diffuses complexity, but, at the same time, it produces risk".

Finally, an important question is how trust relates to distrust. While in the academic literature, trust and distrust have traditionally been regarded as polar opposites on one continuum, March and Olsen (1975) have presented a cyclical view on trust and distrust. This implies that building trust, for example, in government, can only be achieved in a context where a minimum level of trust is already present. In a context of distrust, any effort by government to build trust can be expected to fail either because these efforts are not noticed or because they are looked upon highly suspiciously. Consequently, trust and distrust should be seen as different constructs, implying that distrust is not equal to mere low trust (Van de Walle & Six, 2014: 169). There are fundamental differences in the basic levels of trust across countries, which implies that the study of trust and distrust needs to take the national contexts into account, and aim at contributing to our understanding of why in some countries, for example, Norway, political institutions and public administrative systems are to a larger extent based on an assumption of trust than they are in other

countries, such as the United Kingdom, where distrust in government among part of the population is much more common (Van de Walle & Six, 2014: 171).

The trust – distrust distinction is of relevance for the study of trust in higher education and science. An (active) distrust in higher education among part of the population can be interpreted as part of a disposition to be suspicious of any aspect of higher education's role in society, independent of the possible contributions of higher education to improving the quality of life for all citizens. Active distrust in higher education is in general part of a broader disposition. Therefore, distrust in higher education has to be understood from the perspective of the relationship between attitudes towards higher education and more general aspects, such as "satisfaction with one's own life, ethnocentric attitudes, feelings of insecurity, or other emotions" (Van de Walle & Six, 2014: 170).

Personal and Social Trust

The concept of trust is described in the Merriam-Webster dictionary as "assured reliance on the character, ability, strength, or truth of someone or something".[3] This 'assured reliance' is necessary for reducing complexity and uncertainty in social relationships (Bachman, 2001). Consequently, a preference for one course of action in social relationships over any other alternative can be defined as a situation of trust (Luhmann, 1988: 97). In developing a preference for one course of action, "trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviour of another" (Rousseau et al., 1998: 395). How does trust at the individual level relate to trust at the societal level? What does trust in the meaning of assured reliance based on personal insights into other individuals' moral and political preferences, etc., tell us about the level of social trust when individual citizens have to deal with people in their society for whom they do not have this personalised information (Denzau & North, 1994; Rothstein, 2011: 167–168)? A possible answer to these questions starts with seeing social trust as an informal institution in society, in the sense of "an established system of beliefs about the behaviour of others" (Delhey & Newton, 2004; Rothstein, 2011: 168). While the causal relationship between personal and social trust is a complex and multi-faceted issue, there are strong indications that countries with the highest level of personal trust also have the highest levels of social trust, and vice versa. For example, the level of personal trust is consistently highest in the Nordic countries, while also the percentage of the population that is convinced that most other people can be trusted is highest in the Nordic countries (Rothstein & Uslaner, 2005). As stated by Rothstein (2011: 147), "social trust correlates so systematically with a great number of other variables, it is difficult not to believe it captures something that is important for individuals as well as societies". This implies, according to

[3] See: https://www.merriam-webster.com/dictionary/trust

Rothstein (2011: 151), that, "there is a causal link between trust in public governance institutions, social trust and equality". Therefore, there is a considerable political and scientific interest in how to generate social trust, including the role that (higher) education can play. Building on Rothstein's arguments for making investments in universal education programs, the following reasons can be identified that support the argument that (public) higher education plays an important role in enhancing social trust. First, high levels of participation in higher education contribute to social mobility and equal opportunity, as well as to generating more economic equality. Second, participation in higher education has the potential of strengthening the belief of parents in the future of their children, and this optimism can be assumed to strengthen social trust. Third, at the individual level, participation in higher education can be expected to stimulate the enhancement of social trust among students. Finally, higher education brings young people from different national, ethnic, religious and social groups together in a relatively open setting with access to a global knowledge environment, which in general has a positive impact on social trust (Rothstein, 2011: 163). Whether, and if so, how each of these four reasons affects social trust requires additional empirical studies. Nonetheless, the chapters in this Volume present relevant insights into how differences in the national contexts of higher education in Norway and the United Kingdom play a role in the extent to which higher education in the two countries contributes to enhancing social trust. In addition, they also allow for a better understanding of how the overall level of societal trust in the two countries relates to the trust the citizens of the two countries have in their national higher education institutions.

The Role of Trust in Higher Education's Pact with Society

Since its establishment in the eleventh century, the European university's relationship with society has gone through periods of apparent stability as well as crisis and change, related to the level of mutual trust and commitment, and the level of agreement on the university's role in and for society, and society's role in governing, organising and funding higher education. In its first centuries of its existence the European university was in essence a professional school organised around theology, medicine and law, without activities that we would consider 'scientific' from today's perspective. Even though after the mid-seventeenth century the relationship between the university and the emerging nation state authorities in Europe became closer, the European university of the late eighteenth, early nineteenth century was still a "private, self-governing, property-owning and self-financing corporation" (Neave, 2001: 23). Even in countries with a very tight state control, such as Russia, the traditional universities were allowed to continue some form of self-governance.

The emergence of the research university formed a crucial transition point in the development of the European nation state and the role of the university as one of its core social institutions, as is argued in detail by Watson (2010) for the role of the

university in the development of Germany as a nation-state between 1750 and 1933.[4] How does the current relationship between higher education and society relate to the transformation of the university from a professional school to a research-intensive scientific institution? For answering this question, the notion of a 'pact' (or 'social contract') is of relevance. This notion emerged in the Age of Enlightenment as the leading doctrine of political legitimacy. A number of scholars contributed to the development of this doctrine, including John Locke and Jean-Jacques Rousseau, whose book *Du contrat social ou Principes du droit politique* ("Of The Social Contract, Or Principles of Political Right") from 1762 proposed reforms that would imply a government that prioritises the interests of its people over its own interests. Using, amongst other things, Locke's and Rousseau's ideas, various scholars (see, e.g. Gough, 1936; Riley, 1973; Gourevitch, 1997) argue why and how a rational citizen would voluntarily consent to give up his or her natural personal freedom to obtain the benefits of political order. Anchored in this original political philosophical interpretation, a 'pact' with respect to the higher education – society relationship has been interpreted as

> a fairly long-term cultural commitment to and from higher education, 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 higher education is embedded (Gornitzka et al., 2007: 184).

An important component of the pact has been that higher education is regarded as a "trustee of the European humanist tradition". This perspective is emphasised in the original Magna Charta Universitatum Charter from 1988 with European university leaders as the main initiators.[5] The Magna Charta Universitatum initiative highlights the university's basic institutional characteristics, and its essential academic identity, purposes, and principles. In the 1988 Charter, the initiators distanced themselves and their universities from an instrumental interpretation, which emphasizes specific economic or social purposes of the university (Maassen & Olsen, 2007). With a reference to the European humanist tradition, "the Humboldtian model", with *Bildung* as a key principle, is in many respects honoured in the Magna Charta Universitatum, and regarded as still highly relevant in the late twentieth/early twenty-first century, as illustrated by the 2019 update of the Charter. The ideas referred to in the Charter emerged at the end of the eighteenth century, and promote the university as a carrier of classic Enlightenment values, such as rationality and a scientific attitude, serving the common good. From this perspective university education is to form individuals in academic-humanist attitudes and make them informed and responsible citizens. This represents a great deal of confidence in humanity's intellectual powers, as reflected in Kant's definition of Enlightenment as "humankind's release from its self-incurred immaturity. Immaturity is the inability to use one understanding without guidance from another" (Kant, 1784).

[4] For a more comprehensive discussion of the role of universities and colleges in the development of European nation states, see: Rüegg (2004).

[5] See: http://www.magna-charta.org/index.html

The Humboldtian ideology of the early nineteenth century glorified *Wissenschaft* and creativity in the sense of the creation of new knowledge, which was regarded as the main driving force for the development of a new, enlightened German society and citizen. As argued by a number of scholars (see, for example, Turner, 1971; Rüegg, 2004; Watson, 2010), the German research university has become the template for the modern research university, carrying the enlightenment values into the twentieth century. This template has not been static, but was adapted through the incorporation of innovations in the basic organisational model, such as graduate education, liberal arts education, professional schools, research centres of excellence, and knowledge transfer offices. The question can be raised how these innovations and the underlying forces that produced them have affected the role and importance of the classic enlightenment values in the twenty-first century University. These values incorporate that academic work creates the conditions under which, for example, meaningful thinking and the making of sound judgements take place. In addition, they form the basis for the protection of academic freedom (Angus, 2009; Karran & Mallinson, 2018).

In the first decades after 1945 higher education profited in many respects from a pact that was founded in a fundamental trust in the contributions of universities and colleges to social progress and socio-economic development. In this pact, the modern university played a central role in the rapid socio-economic development in the 1950s and 1960s of the then OECD members in North America, Western Europe, and Australasia. University research produced the knowledge that formed the foundation under the biotechnology, nanotechnology, and information and communication technology revolutions, and university graduates became the core knowledge workers in the industries that emerged and blossomed in the wake of these technology revolutions (Mazzucato, 2013). In addition, new types of higher education institutions were established, focusing on welfare state professions in the public as well as private sector, including nursing and other health care professions, teaching, business administration, engineering, and more recently ICT, security, entertainment, and media. Many of these new types of institutions and sectors enrolled first generation students in higher education, and practically guaranteed for most of these students an entrance into the middle class for them and their families. The new types of higher education institutions were in the beginning to a large extent public, while more recently the private component of professional higher education is growing in many respects especially in the US, Central and Eastern Europe, Latin America and parts of Asia. These institutions have a more direct relationship with their political and socio-economic environments than the research universities, both in their study programs and their emerging research mission (Kyvik & Lepori, 2010).

The assumed relationship between economic growth, social progress and higher education that formed the trust-based foundation under higher education's post-1945 pact with society has been challenged in many respects from the 1960s on. First element in this was the dramatic growth of higher education, in the sense of the massification of student numbers followed by rapidly increasing staff numbers, and an increase in the number of higher education institutions, all leading to a significant rise in the costs of higher education. Second, from the 1970s on the belief in the

linear relationship between publicly funded basic research and socio-economic innovation faltered, and various alternative models on the relationship between research and innovation were introduced (Lundvall, 1992; Mazzucato, 2013). Third, in a number of countries and regions, including the USA, Brazil and various East Asian countries, a large private, for-profit higher education sector emerged. While private non-profit higher education has a long history and is like public higher education anchored in the enlightenment values, for-profit higher education is a relatively new phenomenon, and differs in its basic values fundamentally from the traditional non-profit institutions and systems (Morey, 2004; Douglass, 2012).

Olsen (2007) has discussed how the development of the modern university as a specialised institution committed to academic teaching and research was one part of the large-scale transformation from pre-modern to modern societies in Europe. In this transformation, the modern university constituted a particular institutional sphere, distinct from other autonomous domains of the economy and the market, state and bureaucracy or religion. However, Olsen (2007: 44) notes that at the onset of the twenty-first century public trust in higher education's problem solving capacity has decreased drastically. The main consequence is the need for (re-)negotiating the terms of the pact between higher education and society. In historical and institutional perspective, Olsen argues, the institutional foundations of universities and colleges are based on underlying social contracts involving long-term cultural commitments. However, in radically changing circumstances even entrenched institutions can encounter "widely-agreed-upon performance crises", typically through the intrusion of values, criteria and procedures derived from other and alien institutional spheres. Olsen (2007. 28) terms this a form of "institutional imperialism (which) (…) may threaten to destroy what is distinctive about (…) institutional spheres".

The distinctive nature of this notion of higher education institutions (re-) negotiating their underlying social contract with society may be clarified by contrasting it with competing notions, such as the responsive university (Keith, 1998) or the enterprise university (Marginson & Considine, 2000). In both cases the underlying assumption is that, in response to changing social conditions and demands, universities and colleges should change the distinctive nature of their academic operations. However, these interpretations of the consequences of changing conditions for higher education institutions ultimately neglect their basic institutional characteristics and principles that are responsible for their long-term robustness.

This implies that in its broadest terms a pact concerns the relationship between society and its institutions, and presumes that in order to form a social order there has to be a mutual understanding of, trust in, and commitment to the roles and responsibilities of all partners involved. This implies that there is a 'pact' concerning an appropriate set of rules for behaviour and a mutual understanding of included obligations. Arguably, we can witness a shift in how the sectoral pact for higher education is interpreted, especially in the context of its current socio-economic and political contexts. Higher education's pact has traditionally been understood as a broad 'gentlemen's agreement' on roles and responsibilities, but is now increasingly seen as a formal, mainly economic agreement (Gornitzka et al., 2007).

In the 1980s and 1990s it was assumed that global reform agendas would have a standardising and homogenising impact on the governance, organisation and funding of higher education systems and institutions, both public and private (Goedegebuure et al., 1994; Meyer et al., 2007). However, the implementation of higher education reforms at the national level is affected by national filters (Musselin, 2007; Gornitzka & Maassen, 2014). This implies that generally accepted 'global reform scripts' instead of leading to standardisation and converging, are characterised by reform instrumentation and reform outcomes which are adapted to specific national institutional arrangements, path dependencies, and policy interplays. The result is that the implementation of global reform agendas in higher education instead of resulting in homogenisation, is leading to very specific national outcomes, as further discussed in the next section.

Higher Education's Position in Society

As indicated, a dominant factor in the far-reaching internal and external changes that characterise higher education's developments over the last decades is its unprecedented growth. At the beginning of the 2020s, over 200 million students are enrolled worldwide in higher education, with the three largest higher education systems (China, USA and the EU-27) enrolling together almost 80 million students. This massification is responsible for the rapidly increasing costs of higher education, in many countries at an inflation plus rate. Consequently, there is a shift in the funding of higher education from the public to the private purse, amongst other things, through the growing reliance on tuition fees in public higher education.

While the key formal responsibilities for higher education governance and funding are still concentrated at the national or sub-national (e.g. state, province, Land, or canton) level, globalisation has strongly affected the understanding of the relevance and quality of higher education. An important component in this has been the political focus on the notion of the knowledge economy (Powell & Snellman, 2004) leading to a general interest in higher education as the key knowledge institution in any society. In this context, a global reform agenda emerged, which emphasises a growing reliance on market forces and competition, and promotes the strengthening of the economic impact of higher education. Key reform elements are the enhancement of institutional autonomy, the professionalization of institutional leadership, management and administration, the growing centralisation of executive boards in institutional governance structures, and the development of strategic institutional profiles. As discussed in the previous section, ensuing higher education reforms did not produce homogeneous effects around the world, amongst other things, because of the working of national and institutional filters that interpret and modify the global reforms ideas (Gornitzka & Maassen, 2014). Consequently, while in some countries, for example, Norway, the impact of the reforms has been relatively moderate, in other countries, such as the United Kingdom, the reforms have led a weakening of the embeddedness of

higher education in the public domain, with accompanying impacts on the level of trust in and the existence of distrust towards higher education. From a public governance perspective, this can be related to the ways in which generic ideas of New Public Management (NPM) have been used in the implementation of the governance reforms.[6] Varieties among national public governance approaches will be discussed in more detail below.

Of further relevance for understanding the position of higher education in society is the impact of a number of global crises taking place since the early twenty-first century, that is, the global security crisis (since 09–11), the financial crisis of 2007/08, and more recently the COVID-19 pandemic. Each of these rather sudden, unexpected crises required an effective response of the government, which led to a rapid dominance of the crisis in national policy arenas. The political urgency to find solutions and the societal pressure on political leadership to implement solutions ('show decisiveness') led especially in the Covid-19 crisis to a central role for the science system and higher education in providing relevant knowledge and human capacity with a key role of experts and scientific expertise. At the same time, the nature and impact of the role of the science system differs from country to country and is, amongst other things, dependent on the political order and public administration. Here we can refer to the differences between the British response and the ways in which Norway responded in March 2020 to the Covid-19 pandemic. This encompasses, for example, differences in the extent to which the political leadership of the two countries worked closely with scientists in agreeing upon the measures to be taken, including a national lockdown. Overall, the Norwegian response reflected a high trust in science and consisted of an approach in which the political leadership of the country worked closely with scientific experts, putting medical expertise central in the development and public presentation of measures. In the United Kingdom, there was in the early stages of the pandemic a greater political emphasis on possible economic consequences of a national lockdown and a political reluctance to share the national stage with scientists. While also in the United Kingdom medical expertise played an important role in the development of national measures to deal with the pandemic, the level of trust in science and higher education seems to be less pronounced and obvious, at least in the initial period, than in Norway. This difference in the handling of the Covid-19 pandemic is also reflected in the development of the national governance modes of higher education in the two countries.

[6] For a discussion on the NMP inspired higher education reforms in the Nordic countries, see Christensen et al. (2014). A wide range of academic publications is addressing NPM inspired governance reforms of British higher education, see, e.g. Ferlie and Andresani (2009), and Collini (2020).

Varieties in the National Governance of Higher Education

The ideas of the modern university by Wilhelm von Humboldt and John Henry Newman referred to in the Introduction, outline two alternative development trajectories for the modern research university and its relationship to society. Von Humboldt's ideas were gradually transformed throughout the nineteenth century and early twentieth century into a global template for the research university as an institution. Newman on the other hand has taken an existing formal organisational form, that is, the Oxford College, as the foundation for his idea of the university (Rothblatt, 1997; Nybom, 2007). Newman's work is still being referred to in British deliberations when it comes to current university challenges and policy issues, and von Humboldt's ideas are still prominently featuring in Continental European debates on higher education. As argued by Nybom (2007: 79), von Humboldt's main ideas are currently "… either hailed as an eternally valid ideal-type or disdained as a suitable scapegoat, which is responsible for nearly all our alleged present miseries". As regards the latter position, various political actors have argued that we need new basic ideas and models for justifying societies' commitment to and investments in higher education. This can be illustrated by the following quote from the then European Commissioner for Education, Training and Culture, Jan Figel (2006: 12): "We need a new model – we need something which can demonstrate to countries where university models still hark back to the days of Humboldt, that today there are additional ways of doing things". This plea for a radical departure from ideas that have formed for a long time the foundation under continental European universities' relationship with society was presented at an annual conference of British heads of university administration.

As indicated above, and discussed in various chapters in this Volume, the governance of British higher education has developed in a significantly different direction than the governance of continental European higher education. There are various conceptual perspectives that can be used to interpret the nature of public governance models, for example, the 'varieties of capitalism' (VoC) perspective, which provides a comparative framework that can be used to interpret the role higher education institutions play in the political economy of modern capitalist societies. The VoC perspective introduces a basic distinction between liberal market economies (LMEs) and coordinated market economies (CMEs) (Hall & Soskice, 2001: 8–9). The United Kingdom is an example of an LME, and Norway an example of a CME. In LMEs, the main mechanisms of coordination are hierarchies and competitive market arrangements, while in a CME coordination is achieved through non-market relationships, that is, through processes of strategic interaction where institutions play a role in the formation of commitments and deliberation (Graf, 2009: 570–572; see also: Maassen et al., 2019).

What is specific from a VoC perspective about the Norwegian approach to higher education governance can be illustrated by the way in which the topic of state ownership of universities and colleges was addressed in 2002/03 by a national committee, and the reactions to the committee's recommendations. Norway has a long

tradition of using national committees for developing what can be regarded as a Norwegian version of a green paper.[7] One of such committees, the 'Mjøs-committee', was established in 1998 and presented its report in 2000. The report led to a higher education reform in 2002–03, the Quality Reform, which introduced far-reaching changes, amongst other things, in order to make Norwegian higher education comply with the Bologna Process (Gornitzka, 2007). The changes included a new academic degree structure, a new funding model for higher education, the establishment of two formal higher education agencies, and the opening up of the Norwegian higher education structure for the upgrading of professional colleges to university status. The Quality Reform did not change the legal status of the public higher education institutions though, implying that they remained state-owned. This was regarded as ineffective by the then government, which established a new committee already in 2002, the Ryssdal-committee, with the mandate to produce a set of recommendations about the legal follow up of the Quality Reform, including the possibilities for changing the legal status of the higher education institutions from state-owned to self-owning public corporations. Fear for the role of the market and competition in the governance of Norwegian higher education inspired a massive protest in Oslo outside Parliament buildings against the committee's proposals the day before its report was formally handed over to the responsible Minister. The Minister, even though positive about the report and its main proposals, decided not to follow the majority of the committee members' recommendations and maintained the state-ownership of Norwegian higher education institutions. This situation continues until today. In 2018, a new national committee was established with a mandate for proposing major changes in the comprehensive higher education law. The public debates after the establishment of this committee were dominated by worries about the possibilities of changing the legal status of the Norwegian higher education institutions in the direction of the status proposed in 2003 by the Ryssdal committee. The outcry against a change in the legal relationship between state authorities and higher education institutions was so strong that the responsible Minister in spring 2019 announced that a Ryssdal-like proposal indicating a legal decoupling of Norwegian higher education from state-ownership would not be considered.

As shown in this example, policy change in Norway is of an incremental nature, taking place through strategic interactions of representatives of key institutions, which in the case of higher education include the Ministry of Education and Research and the universities and colleges, as well as other Ministries, agencies, unions, employers' organisations, and other stakeholders. This implies that public authorities attempt to realise changes in higher education policy and practice in essence through consultation, compromising, institutional development, instead of through market interactions and competition. Consequently, in Norway the state

[7] A green paper can be defined as a "First-draft document on a specific policy area circulated among interested parties who are invited to join in a process of consultation and debate. The objective of a green paper is to arrive at a general consensus before drafting the official policy document, the white paper" (see: http://www.businessdictionary.com/definition/green-paper.html)

remains a key governance actor, with a relatively high level of mutual trust characterising the relationship between higher education and society. This is visible, amongst other things, in the continuous high level of public funding of higher education (and science), and in the specific balance between trust and formal control in the governance structures of universities and colleges.

Trust and Formal Control in Organisational Governance

In the organisational literature, there has traditionally been a focus on formal control as the main mechanism for governing intra- and inter-organisational relationships in the private sector (Das & Teng, 2001). Because of various political, economic and social developments, formal control is assumed to have become less effective, with an accompanying interest in trust as a possible mechanism of private sector organisational governance. Consequently, new questions emerge on how control and trust might be related in the governing of organisational relations, such as: "Can trust-based and control-based modes of governance go hand in hand? Does control chase out trust or does trust diminish the need for control?" (Bijlsma-Frankema & Costa, 2005: 260).

The reduced focus on formal power in private sector governance relates to the fact that control is argued to be dependent on certain features that are currently under pressure. First, for formal control to be effective the expected outcomes of decisions and activities have to be specified beforehand. This assumes that tasks and behaviour are programmable, codifiable, and measurable, and that outcomes can be predicted. However, these basic conditions can seldom be satisfied anymore in current private sector work and organisational practices. Key words used to characterise current organisational governance practices in the private sector are ambiguity and uncertainty.

Second, formal control requires the possibility of monitoring to determine if the behaviour of persons employed by the organisation deviate from the agreed upon rules. However, the assumption that behaviour and actions in organisations can be monitored up close have been challenged more and more, amongst other things, from privacy rights perspectives. In response, efforts have been made to introduce 'monitoring from a distance' approaches, incorporating elements of trust. More recently, 'intelligent monitoring systems' have been introduced, without it being clear yet how effective these are in combining the respect of private rights and providing relevant governance information.

Third, effective governance through formal control requires an organisational structure that enables the enforcement of organisational rules and regulations so that credible threats can be made in cases in which they are not abided. This requires a suitable juridical structure to sanction deviant behaviour, which in modern organisations has become increasingly problematic, amongst other things, as a consequence of organisational boundaries becoming more unclear.

In addition, several developments over the last decades have been further weakening and challenging the foundation for formal control as the main governance mechanism in private organisations, including the speeding up of markets, flexibilisation and virtualisation of organisational forms through the increasing use of digital technologies, and work relationships having become looser and more distant (Bijlsma-Frankema & Costa, 2005).

Contrary to the situation in the private sector, governing organisational relationships in universities and colleges has traditionally relied more on trust in 'primus inter pares' leadership practices than formal control mechanisms. This reliance on trust was a consequence of the acknowledgement that universities are unique organisations with specific characteristics, such as goal ambiguity and primary processes (education and research) with unpredictable (and therefore uncontrollable) outcomes (Olsen, 2007: 27). However, while in the private sector there is a growing interest in trust as a governance mechanism, governmental reforms in higher education emphasise the need to strengthen formal control elements in institutional governance, for example, professional, executive leadership positions and structures, more hierarchical decision-making structures, and formalised accountability demands. This implies that while organisations in the private sector are undergoing a transition from governance based on formal control to governance through interaction of trust and control, higher education institutions are experiencing a development from governance based primarily on trust to executive forms of governance in which formal control is expected to take a more prominent place. This reflects the important understanding that trust is not static (Bijlsma-Frankema & Costa, 2005: 262).

Concluding Reflections

As argued by Rothstein (2011: 147), an important reason for discussing and analysing key aspects of the role of trust in society is its relevance for the quality of life: "Cities, regions, and countries with more trusting people are likely to have better working democratic institutions, more open economies, greater economic growth, and less crime and corruption." High levels of personal and social trust are assumed to reinforce central 'quality of life' variables, such as low levels of corruption, equality, low crime rates, and high quality public governance institutions, just as low levels of personal and social trust are assumed to reinforce negative variables, such as high levels of corruption, inequality, high crime rates, and low quality public governance institutions. Consequently, societies with high levels of social and personal trust function and perform better, and are therefore preferable to societies with low levels of personal and social trust. In this, higher education is argued to have the potential to contribute to the enhancement of social trust, which has been an important element in the pact between higher education and society that emerged in the early nineteenth century and has functioned as such until recently. The erosion of the traditional pact, however, does not imply that the role of higher education in

strengthening social trust has become less important. As we have discussed in this chapter, the emergence of a global NPM-inspired public governance narrative has also affected the relationship between higher education and society. This narrative promotes, also in higher education governance, competition and diversified funding, executive leadership and management, and sector and institutional accountability. Higher education governance reforms following this narrative have been implemented in both Norway and the United Kingdom. However, there are significant differences in the extent to which the reforms have affected the higher education funding practices, institutional governance structures, and accountability requirements in the two countries. Consequently, also the role of higher education in generating social trust in Norway and the United Kingdom is affected differently. In Norway, we can observe relatively moderate governance adaptations and a continuous high level of belief in the role of higher education in generating social trust, as exemplified by the high level of basic public funding and lack of tuition fees, the nature of the student support system, and the importance of democratic, co-determination principles in institutional governance. In the United Kingdom, we can observe more significant changes in institutional governance, including more competitive funding regimes and high levels of tuition fees, and a dominance of executive principles in institutional governance, including high salary levels and executive mandates for university leaders. As a number of the chapters in the Volume illustrate, these governance changes are accompanied by worries about the role of higher education in generating (or eroding?) social trust in general, while they also might have contributed to an erosion of public trust in higher education.

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