



KANSAINVÄLISIÄ NÄKÖKULMIA KORKEAKOULUJEN YHTEISTYÖHÖN

A better future through collaboration, alliance and merger among HEIs?

Korkeakoulujen ja tiedelaitosten johdon seminaari
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Today's Remarks

1. Learning from peers and research – why, how and what?
2. What are collaboration, alliance, and merger? (CAM)
3. Why are they intensifying?
4. In which domains of HE are they most widely used, and with what impact?
5. How do governments hinder and promote CAM?
6. How does Finland compare in making use of CAM?
7. What CAM opportunities might Finland more fully exploit to achieve its 2030 vision?



Learning from Peers: Why, How, What

1. Why?

MoEC: “How are other countries using collaboration, alliance, and merger among HEIs to achieve their HE goals? What can we learn from their experiences?”

2. How?

3 comparator countries [Japan, NL, USA – GA, CA], plus review of [English language] publications about CAM in 19 countries, using 170 sources

3. What?

National case studies + OECD Working Paper integrating cases and research <http://dx.doi.org/10.1787/cf14d4b5-en>



A continuum of collaboration and consolidation among institutions

	Networks	Collaborations	Alliances	Mergers	
				Federated	Unitary
Key Characteristics	<p>Connections principally between individuals or units within institutions.</p> <p>Little or no leadership involvement, generally informal communication, and no change to organisational autonomy.</p>	<p>Arrangements between institutions embedded in formal agreements or partnerships.</p> <p>Instruments include contractual agreements and jointly owned or governed legal entities</p>	<p>A more extensive form of collaboration that covers a wider range of operations.</p> <p>Contract, jointly owned or governed entities</p>	<p>At least one institution ceases to exist as a legal entity through incorporation within an existing or new institution.</p>	
		<p>May involve sharing of legal rights and privileges, human resources, physical space, equipment and technology, or information.</p>	<p>Partners share a wide scope of capacities, but retain separate identities and legal statuses, and agreements are revocable.</p>	<p>The original components of the merged entity may retain distinct names, brands, governance and operations (federation) or not (unitary merger).</p>	
Example	The US Distance Learning Association	The Hamburg Open Online University	The Barcelona Knowledge Campus	The University of Manchester Merger	



Why intensifying?

In every jurisdiction we examined governments pursued initiatives to intensify CAM (and HEIs themselves). Some of the key reasons include:

- 1. Stable or falling student numbers** (but demographic challenge does always lead to increased collaboration -> JPN, LT)
- 2. Growing international competition for prestige, talent, and funding** (but very different uses of collaboration JPN vs. NL)
- 3. Fiscal pressures** (can sometimes – if governance arrangements permit – lead to systematic use of consolidation)
- 4. Digitisation** (creates opportunities for wider collaboration – though exploitation depends upon national policy)

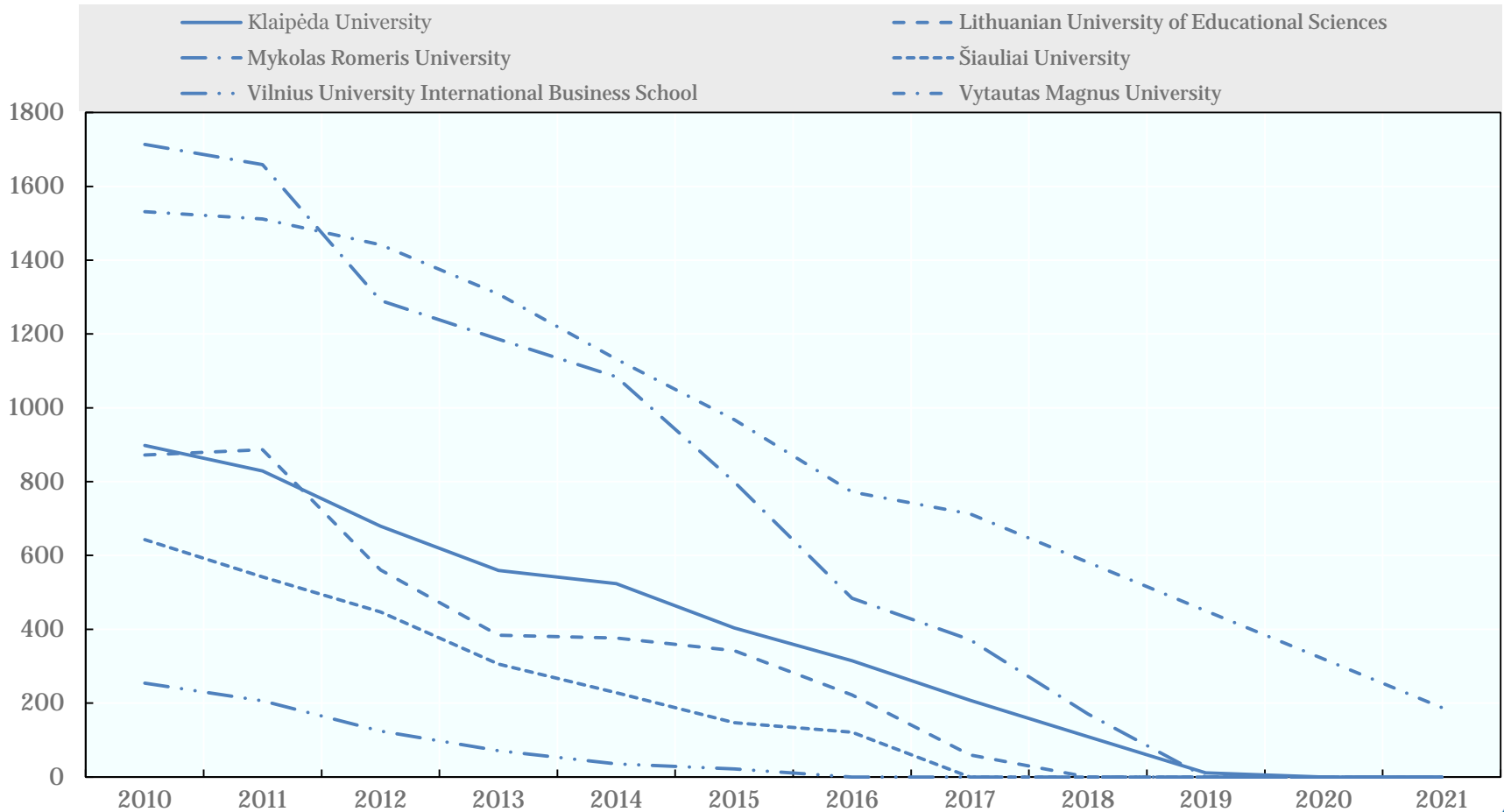


Japan – stable numbers, with challenges ahead

- ✓ 18 yr. old age cohort fell from 2.05 million (1992) to 1.18 million (2016)
- ✓ Rising rates of participation in tertiary education offset this fall – but participation rate now stable
- ✓ Modest growth in international students (but now has competitors in E. Asia)
- ✓ Net result, 3.5 (1992) -> 3.6 (2016) million students in tertiary education – further declines in 18 yr. old age cohort to come
- ✓ Within a stable total enrolment, sharp declines in some types of (private) institutions
- ✓ In 2016, 44.5% of private universities and 66.9% of private junior colleges enrolled fewer students than they were authorised by government – and their financial viability is at risk
- ✓ No national policy for use of CAM to address these challenges



LT – severe challenges at hand. 32% decline in enrolment 2010-2014. 5/13 public universities forecast to have no 2020 entrants. No adoption of alliances, one merger





Concern about global competition, but different national responses...

Japan

- ✓ Concern about few world class universities (~ 10 in top 200 Shanghai Ranking) and overall research profile -> excellence initiatives concentrating research funding (2001-present)
- ✓ Limited use of alliance and merger as a policy tool by government esp. with respect to educational programmes
 - ✓ Mergers? Modest institutional mergers within national university system 100 (2003)->86 (2016)
 - ✓ Alliances? 1,703 graduate programmes, 7 joint programmes, 17 united graduate schools (with shared facilities and staff) enrolling <1% of graduate students.

Netherlands

- ✓ International rankings and research output place NL in top of research league tables, but continuing concern about performance – very different response
 - ✓ 1999-present, funding initiatives concentrate resources in key fields and among top researchers
 - ✓ Funding (€12om. /yr.) to *consortia* that join top researchers in disciplines across universities (Gravitation Programme)
 - ✓ *Inter-university research schools* - in which all 13 research universities participate, some in many (e.g. Institute for Programming and Algorithmics)

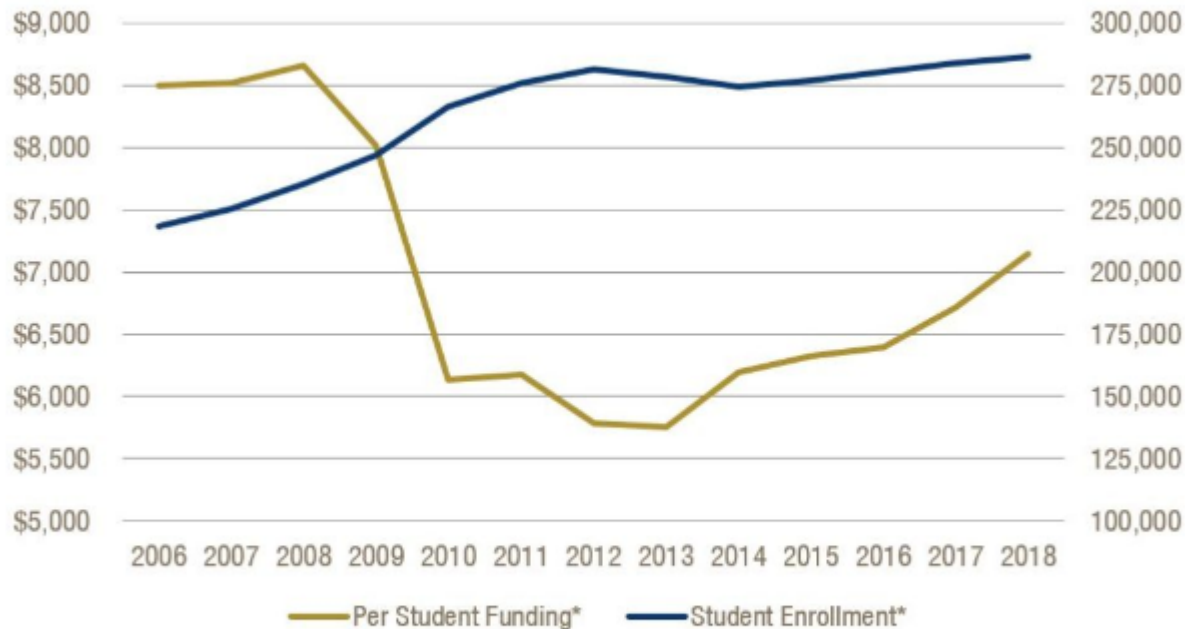


Fiscal pressures as a driver for CAM

Georgia Public Higher Education Institutions

Fewer State Dollars, More Full-Time Students

Funding per Student Number of full-time equivalent students enrolled



Source: Amended Budget fiscal years 2006-2016, Budget Fiscal Year 2017, Governor's Budget Report Fiscal Year 2019; University System of Georgia, Semester Enrollment Reports, Fall 2006-Fall 2016; U.S. Department of Labor, Consumer Price Index Inflation Calculator, GBPI calculations assume 1 percent enrollment growth in fall 2017

*Full time equivalent (FTE) students



Georgia – a policy response made possible by a strong governance structure

University System of Georgia (10m. pop., 325 000 students, 28 HEIs, four sectors)

- ✓ GA Board of Regents (19 member governing board) for public university system
- ✓ Allocates (~ \$9 billion) state appropriations to HEIs
- ✓ Sets system-wide policies w/in which HEIs and institutional boards operate

The policy response:

- ✓ Mergers. 29 state universities and colleges reduced to 21 (2011-2015), with expansion of comprehensive regional universities (2->4)
- ✓ Shared Services. Single business service center for all HEIs (HR, payroll, benefits)
- ✓ Integrated space utilization analysis and planning->capital spending
- ✓ Integrated review of academic programmes->elimination/consolidation of programmes
- ✓ Liberalize dual and joint degree approval for previously approved programmes
- ✓ Expanded online course offerings (1 500 -> 5 000)



Across the OECD, in what domains does CAM occur, how much, what is impact?

If skilfully implemented...

WHERE?	HOW MUCH?	WHAT EFFECT?
Research	Extensive (varies by discipline and size of country)	Positive effect on research output from collaboration (less clear for merger)
Services (e.g. data management and systems, business services, international marketing and advising)	Extensive (little impact on faculty role)	Positive effect on cost containment or reduction
Regional engagement	Unknown	Unknown
Instruction ✓ Design ✓ Delivery ✓ Learning Support ✓ Assessment ✓ Validation/Recognition	Relatively limited (first-cycle programmes) (potential for disruption to faculty role)	Increase in programme breadth, diversity and depth, unknown impact on quality (cost reductions may occur only at scale)



How do governments hinder and promote collaboration among HEIs?

All governments use funding (targeted, competitive or performance-based) . Underlying legal structure critical -> which HEIs may collaborate with which, in what ways? Ex: Portugal.

- ✓ Shared services? No collaboration (e.g. no shared business services)
- ✓ Instruction? Collaborative development/delivery of programmes almost absent at 1st degree level
 - Online Open University with very limited programme content and low enrolment
 - First joint degree programme in polytechnic sector – 2017
- ✓ Moderate-high collaboration through inter-institutional R&D units and associated labs

Why limited -- and uneven -- collaboration?

- ✓ Shared services? No governing/coordinating institution to take whole of system view or action (2016 CCHE, advisory body w/out staff or legal mandate) - > no discussion, e.g. of shared services
- ✓ Instruction?
 - ✓ Quality assurance system – external, programme-level QA, extensive input (staffing, facilities) and process requirements require “local production” of instruction
 - ✓ Binary system with prohibition of shared staffing or content b/n polytechnics and universities
- ✓ Research? To address university incapacity– or resistance – PT created centrally-funded, multi-institutional R&D centres (1/2 of faculty affiliated) and associated laboratories (legally independent, w/joint governing board and central funding)



Summing up...

Carefully implementing, efforts to widen collaboration, alliance, and merger *can* have significant benefits – for cost and quality.

Governments that permit (encourage) more CAM through legal framework and funding or performance agreements *get* more of this

Collaboration takes time and trust to develop. Short-term encouragement (projects or pilots) does not result in lasting collaboration. Governments must embed in basic policy framework (e.g. PT research funding) or HEIs must find it advantageous.



How does Finland compare in use of CAM to achieve its policy aims?

- ✓ Given its size, Finland *needs* more extensive collaboration and consolidation to achieve its goals than higher education systems with much larger scale
- ✓ Finland has *used* mergers and alliances in a more sustained, systematic, and extensive way since early 2000's to achieve its goals than many other HE systems in OECD
- ✓ Looking ahead – more collaboration needed to achieve 2030 goals – 8/17 in vision document imply collaborative actions by HEIs, such as:
 - ✓ HEIs will specialise in research and study programmes
 - ✓ flexible and personalised study paths for lifelong learners
 - ✓ digitisation and openness in teaching, learning, research, and innovation
 - ✓ improved operating practices result in better quality, productivity, effectiveness



What future for wider collaboration?

Research collaboration is already extensive, and international experience suggests, is not difficult to encourage.

Wider use of alliances in shared business services to “improve operating practices”? Consider a coordinated review changing the “default setting”: assume all services provided centrally, and *opt out* of central provision based after showing service is better when provided locally?

Extending the scope of teaching cooperation among HEIs? More difficult and disruptive. But important to 2030 stated goals, including:

- ✓ further profiling and specialisation in study and research programmes
- ✓ flexible and customised study paths



Ways to extend teaching collaboration

1) Sharing students, with instruction separately developed and managed by HEIs

Key questions:

- A. How many courses, of what kind, from whom should higher education institutions be permitted to accept as part of a study programme?
- B. Should institutions be permitted to offer a study programme though not all of its required courses (potentially increasing quality or reducing cost)?
- C. How will money follow the student, so those who do the work of teaching are properly supported?
- D. How do we assure ourselves of the courses we are recognising are comparable in quality?

The conclusion -- **learners assemble a portfolio** of courses and learning experiences from many sources. An authority (an HEI) acts as a **specialised aggregator and validator of learning**, not a producer. [Excelsior College](#) (US). Any precedents in Finland? RPL of non-students (refugees, migrants).



Collaboration in Education Programmes

2) **The instruction process is shared.** Course design, development and delivery, student support, assessment, validation and recognition are **not the responsibility of a single person, single department, or single higher education institution.**

Courses and programmes are developed and supported by a team *within* an institution, and/or by an alliance *among* institutions.

People have different and specialised roles. Some people design courses and deliver them, others are responsible for learning support and advising, some others are responsible for assessment and validation.

- ✓ New type of networked institution - [Western Governors University](#) (1995)
- ✓ Distance learning with competency-based instructional programmes, 86 000 students, average age 37 yrs.
- ✓ Staffed by >3000 “mentors, course faculty, programme faculty, evaluators”