

ALBERTO AMARAL AND ANTÓNIO MAGALHÃES

## THE EMERGENT ROLE OF EXTERNAL STAKEHOLDERS IN EUROPEAN HIGHER EDUCATION GOVERNANCE

### 1. INTRODUCTION

Over the last few decades, higher education institutions have been confronted with increasing outside pressures aimed at institutional change. The conceptual frameworks that are used to envision, and to a certain extent legitimise, change are increasingly influenced by organisational sciences and theories. In this type of approach, concepts such as ‘adaptiveness’, ‘environmental awareness’, ‘responsiveness’, etc., become central, both as analytical devices and as values to be pursued.

The combined use of these concepts both as analytical devices and as guiding or legitimating values presents some danger to the institutions and needs to be critically debated. Interpretations and decisions inspired by concepts that are legitimated as guiding principles simply because of their analytical use by organisational theorists are often problematic and should be critically analysed. For instance, the concept of adaptation, inspired by organisational theory, cannot simply be applied to the field of higher education without addressing important questions concerning institutional identity. The assumption that responsiveness to environmental changes and needs should be the key criteria for decision-making and institutional performance has important consequences for higher education that need to be considered.

The same comments are true in terms of the increasing importance given to the concept of ‘relevance’ in higher education. Representatives of the business sector and government argue that institutions of higher education make an important contribution to national wealth production and to the performance of the nation in the global economy. This discourse of economic legitimisation also seems to be anchored on adaptive values and dynamics. Again, care must be taken in critically analysing the assumptions that underscore this perspective, for higher education cannot be reduced to its functional role with regard to the economy.

This critical exercise is made more urgent because of the emergence of the ‘market’ as a new ideological competitor whose presence erodes the space for the traditional liberal-humanist discourse that provided the foundation for the development of the modern university.

The objective of this article is to contribute to this discussion by focusing on the concept of ‘stakeholder’. The concept of ‘stakeholder’ was popularised by management theory, mainly following the publication of Freeman’s book *Strategic*

*Management: a Stakeholder Approach.* In this book, he defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organisations objectives” (Freeman 1984: 46). We use a similar, broad definition, in the sense of a person or entity with a legitimate interest in higher education and which, as such, acquires the right to intervene. Examples of stakeholders in higher education are academics, students, parents, employers, the state, the higher education institutions themselves (in their relationship with the system), etc.

We define two categories of stakeholders, internal and external, the former being members of the academic community and the latter coming from outside the university. The concept of (external) stakeholder refers to the presence of representatives of the interests of the ‘outside world’ in university governance. Their presence is justified by assuming that it is both legitimate (in that those who they represent have a ‘legitimate’ interest in the social, economic and cultural function of the institution) and useful (in that they enhance the institutions’ innovation and responsiveness to the ‘real’ needs of society).

External stakeholders are assuming a growing prominence relative to internal stakeholders in the rhetoric of change, and their presence is designed to make higher education institutions more responsive to environmental needs and changes. In this chapter we will analyse the case of Portugal and several examples from other European higher education systems in order make some observations on the effectiveness of this new role for external stakeholders in university governance.

Finally, it is important to stress that while we refer to history, our approach is not ‘historical’ but rather paradigmatic. What we intend to analyse by studying the emergence of the concept of ‘stakeholder’ in the higher education literature is not the particular links that universities and other higher education institutions have built and developed with industry, commerce and the ‘outside’ world in general. Our focus, instead, is on the legitimating discourses, and our aim is to identify changes in the way higher education itself is being conceptualised. In this we closely follow Björn Wittrock (1993: 323) who argues that an analytical approach cannot be replaced by “a broad functional-evolutionary account, nor a minute historical account of the peculiarities of individual institutions in different countries and contexts.”

## 2. THE MODERN UNIVERSITY AND THE CONSOLIDATION OF THE NATION STATE

The development of the modern university can be placed at the end of the XVIIIth and the beginning of the XIXth centuries, and it is closely associated with the reforms of von Humboldt in Prussia and of Napoleon in France. The modern university was a fundamental instrument for the construction and reinforcement of the nation-state, being assumed as “an agent of national reconstruction, allied with the overhaul of recruitment to the apparatus of state” (Neave and Van Vught 1994: 268). Besides providing the state bureaucracy with qualified manpower, higher education institutions were supposed to socialise students to become model and

active citizens, to promote the social mobility of the most talented, and to be a place of free and independent discussion of the society's critical problems.

On the other hand, universities were also assumed to play a crucial role in the project of forging the national political identity through the preservation and enhancement of the national culture. These multiple goals were seen as coherent and part of the same project of consolidation of the nation-state. This had important consequences both for the state and for universities. Neave considers that:

The Nation-State had profound consequences for the patterns of control and administration in the university world. In the first place, by setting the university at the apex of those institutions defining national identity, it also placed higher learning firmly within the public domain as a national responsibility. University was thus subjected to the oversight of public administration rather than being the object of regalian privilege. (...) And, no less important, the forging of the nation-state went hand in hand with the incorporation of academia into the ranks of state service, thereby placing upon it the implicit obligation of service to the national community (Neave 2001: 26).

On the one hand, the state's administrative posture was heavily centralising. The state claimed what it viewed as a legitimate role in deciding what was to be considered 'useful knowledge' by centrally defining the curricula of study programmes. For example, the reform of Austrian education by Maria Theresa and her son Josef II (Grueber 1982: 260) clearly placed the higher education system under the firm control of the state in order to ensure that civic virtues and a true national spirit were taken seriously as educational objectives.

The political demand for a uniform system was translated into the adoption of the legal homogeneity principle, enforcing the provision of common higher education programmes throughout the nation. Study programmes and credentials provided by national higher education institutions should be homogeneous in order to ensure that all citizens had equal opportunities when competing for public employment, and, of course, the state was the main employer of higher education's graduates. The state acted as the sole regulator of the higher education system by using traditional mechanisms of public regulation, including legislation, funding, and even, in many cases, the appointment of professors.

On the other hand, universities were not just seen as producers of highly qualified personnel, despite their role as providers of qualified manpower for the state bureaucracy. Some, like Cardinal Newman (1996), fiercely opposed a utilitarian concept of higher education. He argued that "the Philosophy of Utility, you will say, gentlemen has at least done its work...and I grant it – it aimed low and it fulfilled its aim". Instead, he proposed "a pure and clear atmosphere of thought..." which leads to "the true and adequate end of intellectual training... Thought or reason exercised upon knowledge."

The university also had a role in the development of citizenship, in the transmission of values, and in the defence and promotion of the national culture. These roles for the university predated the emergence of the modern university. For example, Harvard College, in its present (23 February 1997) mission statement, reaffirmed the objectives for which the Royal Charter of 1650 was granted ([http://www.harvard.edu/help/noframes/faq110\\_nf.html](http://www.harvard.edu/help/noframes/faq110_nf.html)):