The traditional western research university’s academic freedom is increasingly challenged by external economical interests. This has consequences for what has been regarded as a key quality dimension of a university. The balance between institutional autonomy, academic freedom and accountability to external stakeholders is claimed to be changing in disfavour of the academic freedom kept up by the professoriate. From its stakeholders the institution is expected to serve politicians, state bureaucracy and market in a qualitatively different way from before, primarily from economic motives. Is academic freedom at all possible in an institution predominantly financed by producing services to meet economic criteria? A likely answer would be no, and another tentative, answer could be that yes, it is possible, due to the strong academic legacy imbedded in western academics’ identity – and to the global communicative room of free actions made possible by the new information technology.

Key Words: service university, quality, academic freedom, ICT, management

JEL Classification: Z

All over the world the university’s function and organisation is changing dramatically. Due to globalization forces the old, academic and autonomous institution is pushed to change its organisation and production of research and training in order to be accountable to governments and markets. The traditional balance between individual academic freedom (for the professors), autonomy for the institution and accountability to those providing the funding – is challenged. Many claim that the balance is tipping in favour of the direct economical needs of society and the market, at the cost of opportunities for doing basic research and with less opportunity ‘to speak truth to the power’ of state and market. The purpose of this paper is, firstly, to illustrate this new situation for the academic research university by pointing both to changed policies and to reactions from the academic community, and secondly, to reflect on how freedom and autonomy may still be achieved while forced to respond to increased accountability from stakeholders.

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Managing Global Transitions 8 (4): 423–447
More specifically, the purpose of the paper will be reached, firstly, by illustrating universities’ changed situation at individual, organisational and conceptual levels; that is micro-experiences by professors, new institutional labels (enterprise universities), twisting of the concept of quality, the new mode of knowledge production and higher education as international ‘free trade.’ Secondly, the label most powerfully catching key features of the ‘new’ university – the service university – is outlined. Thirdly, three scenarios about university development under global capitalism are envisaged, among which, one – the academic service university – is seen as one where a fair balance between freedom, autonomy and accountability may still be possible. In concluding, some assumed conditions for keeping up the balance are envisaged.

The New World of Higher Education

The professors’ discontent

World wide, university professors seem to feel an emotional discontent about their traditional place in the social division of labour (Tjeldvoll 2002a). The professoriate seems bewildered about how to react to the paradox that the university is given greater autonomy simultaneously with less funding from the State (Altbach 1996). Although these tendencies are global, reactions to the discontent seem to be especially strong in countries like USA, Canada, UK and Australia (Harman 1996). In these countries professors find that the university organisation and frame conditions have dramatically changed in a few years.

The status of scientific knowledge organised as disciplines seems to be declining. The basic disciplines that students of the 50s and 60s met with were status cores of the university’s structure and content. Some disciplines have shrunken, changed or disappeared completely (Welch 1998). Professors see such changes as due to primarily two conditions: society’s need for studies of a more practical orientation, resulting in priority for ‘profession studies.’ Secondly, there have appeared new and often social policy motivated research needs, anchored in e.g. feminism and multi-ethnic cultures – challenging the traditional disciplines, not least by their problem-oriented and declared multi-disciplinary approach (Welch 1998). The changed status of the disciplines has been unpleasant for many professors, because it has challenged their identity, of which the academic part is an essential component.

Pressures for changed teaching methods have also caused pains. The

Managing Global Transitions
traditional lecture approach has been challenged by the new ICT. ‘Virtual’ pedagogy is literally unlimited in relation to factors like time, space and form of communication (Weber 1996). Socio-cultural learning theory and the e-learning industry’s need for ‘motivated learning just in time’ is illustrated in the slogan ‘from teaching to learning.’ The tacit message to professors is that their traditional teaching is not producing efficient learning (Tjeldvoll and Jacobsen 2002).

Students’ morale and morality are different from before. When universities became institutions for mass higher education, the professor met with lots of students of a different socio-cultural background and motivation (Tjeldvoll 1999). Many students behave like the ‘school tired pupils’ of modern secondary schools. Their motivation for university education seems to be rather instrumental. Earlier, more students were attracted to the university by a more genuine academic interest. Now their ability to work independently seems weaker. Students are also encouraged to evaluate their professors. Such activities focus on the professors’ communicative competence, including his talent for being entertaining. Many professors see student evaluations as a paradoxical activity: How can students who have not yet attained the knowledge they have come to learn, be capable of assessing the quality of professors’ teaching?

Another source of discontent is the professors’ changed relations to key decision makers inside and outside campus. Professors used to have a strong influence on policy decisions of the institution. Now they feel that what used to be their support staff – the Administration – has taken control over decision-making processes. The Administration has increased heavily in terms of resources and influence, and manages the university more from an administrative than from a scientific rationality. Also, the changed behaviour of the Mandator of the university, the State, is painful for the professor. It is no longer a faithful financial patron of the university. Professors feel pressure to take external work in order to bring in additional revenues to the institution.

Finally, the perhaps strongest discontent is the fear of not having a tenure position. Increasingly people are hired on contract, for a fixed time, or on conditions where it can be terminated when the Administration finds that the professor is no longer relevant to the central goals and strategies of the university (Welch 1998). Professors feel that they are increasingly addressed by a new language with a vocabulary of the market economy: Competition, quality, profit, investments, benchmarking, accountability, efficiency and ‘total quality management’ (Donlagic 2002a).
Why have all these sources of professors’ discontent become active around the turn of the 21st Century? What has actually happened to the external and internal context of the professors?

‘Enterprise universities’ appearing

Pressures on the higher education sector from global capitalism seem also to have produced new labels to indicate the modern character or profile or branding of an institution. In literature and debate a stream of new prefixes is appearing. The most bluntly market oriented ‘new university’ so far seems to be the ‘entrepreneurial university’ (Clark 1998). The intended meaning to be communicated is of a university being similar to an effective market-based company, which has to be acting effectively towards its surroundings in order to survive successfully. Another label is ‘the innovative university’ – the connotation is experienced as less provocative than ‘entrepreneurial’ by the professors. Actually, the content of meaning is the same. Other labels are ‘the Net University’ and ‘the Virtual University’ (Weber 1996) (e.g. Phenix University, owned by the Apollo Group). There are found different degrees of being virtual. Some are purely net-based, without any physical campus at all. Other institutions virtualise parts of their activities, often in virtual university consortia, in order to offer a broad package of competitive programmes. In the us this development includes both private and public institutions. Finally, there is the ‘service university.’ Studies using this concept have especially focused how traditional, public research universities in different countries respond as organisations, when the State reduces funding, and the universities themselves have to make ends meet (Cummings 1997).

Behind these new labels for a university there are certain shared background factors attached to ‘globalisation,’ and some specific factors caused by stress on particular aspects of the institution’s goals, strategies and organisation. The shared factors are ideology, economy and communication technology. These factors are interconnected, and the Cold War may be seen as a relatively distinct starting point for this particular development of universities. The Internet and attached technologies were released in the most clear-cut forms by us defence policies, through the Government’s successful co-operation with leading us research universities (Castells 1996). This co-operation affected a communication technology revolution that strongly influenced the political power balance and development in the Soviet Union, finally causing its collapse. The ideological consequences were dramatic. With the fall of the Berlin
Wall, there was also a fall of collective ideology, with a complementary advance for liberalist ideology. Liberalism and the ICT Revolution stimulated market economy and entrepreneurial thinking in corporate life, in the public sector, higher education included, and among people in general. Today the world is in practice one market (cf. WTO). The inbuilt development dynamic of the information technology and the corporations’ profit motive are the key drivers of the global economy. This economy is increasingly knowledge-based, and universities are seen as the ‘power stations’ for supplying this economy with its core means to stay competitive – new knowledge (Castells 1994). Many are concerned about how this development will affect what is traditionally seen as university quality.

**When does a university have quality?**

Quality is a buzzword, now applied in almost all spheres of human life. Related to universities the quality issue takes a particular significance – because universities in the western world have been ‘institutions’ (socio-cultural cornerstones alongside e.g. the Church and the Family) representing certain value dimensions basic in our civilisation (Welle-Strand 2000).

Quality can constructively be related to Max Weber’s distinction between *value* goals and *instrumental* goals (Weber 1964). Value goals are about fundamental, universal qualities (or characteristics or properties), in principle valid for all human beings. Instrumental goals are related to economic and practical issues, often decisive in order to achieve value goals. For example, it is important for a university to have a healthy economy, strong enough also to employ philosophers and sociologists researching conditions for civilisation and daring to speak truth to powers – like State and Market. The value aspect and the instrumental aspect of quality can be further explained by two labels: Quality as fitness of purpose for something, and quality as fitness of purpose of something.

**Quality as ‘Fitness of Purpose for’**

Quality may be related to how fit a particular instrument, tool or strategy is for reaching a given goal, for example, the goal of competitiveness for a university to recruit students. When the instrument, e.g. a professor’s organising of learning, is producing high achievements by the students, quality of teaching as instrument has been high in terms of making the institution competitive. The instrumental ‘purpose for’ quality concern
is related to effectiveness, efficiency and, with globalisation as the context, increasingly to competitiveness. There is high quality of teaching activities when learning achievements by students are high, they are attained at lowest possible costs – and graduates from this institution are competitive in the job market.

**Quality as ‘Fitness of Purpose of’**

Quality as ‘fitness of purpose of’ is concerned not about instruments or strategies to achieve something, but about the quality of a purpose itself. Is our aim or goal valuable? Is it a worthwhile goal we are trying to reach with instruments of high "purpose-for" quality? Instead of concentrating on the quality of the instruments, the focus here is on the essence, or meaning of what we are doing. Is the purpose important in a value and moral perspective? Quality of education can be taken as an example. Is education primarily a means for producing work competence for particular jobs? Or, is the quality of education primarily related to the student’s personal development to maturity and moral standards as a responsible human being in a civilised society?

**The Clash between Quality as ‘Fitness of Purpose for’ and ‘Fitness as Purpose of’**

Within higher education, in the western world, there are today observed intensive struggles between the two quality camps of ‘fitness as purpose of’ and ‘fitness as purpose for.’ Governments/Ministries of education, large groups of students and working life are concerned about higher education’s quality in terms of qualifying people for being continuously competent and competitive in the global knowledge economy (Tjeldvoll 2002b). Continuous relevant competence is seen as a necessity for survival of individuals and nations in the global economical competition. A slogan from this camp frequently heard is: Learn or Burn (Welle-Strand and Tjeldvoll 2002).

The Quality as the fitness of "purpose of-camp" is represented by groups of professors and intellectuals with their value roots in both radical and conservative ideologies. They claim that success of the Quality as ‘fitness of purpose for-struggle’ will be at the cost of the Quality as ‘fitness of purpose of’ – the classic values or purposes of the university as an autonomous social and cultural institution in a civilised society. This camp claims the overall mission of a research university as a social institution to be: basic research and training of students for creative,
independent and critical thinking. Over and above a key purpose of universities should be to train young people to speak truth to power – in order to counteract dehumanising effects from the purpose of one-sided economical instrumentalism.

The paramount question in terms of universities’ quality development obviously is: *Is it possible to organise a university that simultaneously can serve the purposes of human civilisation/culture-values and the needs of the economy, from which we all are surviving?* And, if yes, how is such a double purpose designed in terms of a relevant university organisation and production activities of research and organising of learning? To play a bit on words – what would be indications of *quality of the strategies* achieving Quality both as ‘fitness of purpose of’ and ‘fitness of purpose for’?

Some stakeholders would tend to think that a functional division of labour could be that classical research universities should mainly take care of ‘purpose of,’ while professional schools could take care of ‘purpose for.’ However, some would then claim that such a division would imply an intellectual class structure within higher education – between the ‘culturally educated’ and the ‘instrumentally trained.’ Such ‘inequality’ might have difficulties in being accepted in a society with a strong democratic ideology. Maybe the majority of students are not interested in being ‘purpose of-educated.’ Maybe they wish purpose for-quality and a lucrative job. Maybe it is not possible under mass higher education to keep up the traditional purpose of-ideal, like before, for everybody. The student market may refuse it. In Norway there seem to be some irrational tensions between the purposes of academic elitism, of equality thinking and of what is needed for staying competitive as universities in an increasingly global higher education market (Tjeldvoll 2001). The tension between the two different aspects of quality may also be illustrated by the difference between Mode 1 and Mode 2 of knowledge production.

**NEW MODES OF KNOWLEDGE PRODUCTION AND NEW PUBLIC MANAGEMENT**

The general understanding of what science and knowledge actually are has undergone a dramatic reinterpretation during the last part of the previous century (Cowen 1996). This has contributed to loss of power for the professors (Altbach 1996). A new understanding among important stakeholders of the university as an organisation is manifested in changed principles for university management. The ideas of ‘new pub-
Table 1: Mode 1 and Mode 2 of knowledge production

<table>
<thead>
<tr>
<th>Mode 1</th>
<th>Mode 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems of knowledge are set and solved in a context governed by academic interests of a specific community.</td>
<td>Knowledge is produced and carried out in a context of application.</td>
</tr>
<tr>
<td>Based on the disciplines</td>
<td>Cross/trans-disciplinary*</td>
</tr>
<tr>
<td>Homogeneity</td>
<td>Heterogeneity**</td>
</tr>
<tr>
<td>Hierarchical structure, and tends to preserve its form</td>
<td>Heterarchical*** and transient</td>
</tr>
<tr>
<td>Quality control by peer review judgements</td>
<td>Socially accountable and reflexive</td>
</tr>
</tbody>
</table>

Notes: * Cross/trans-disciplinary: (1) The knowledge production is started from practical problems, not from theoretical discipline based problems. (2) The production takes place in a 'project organisation,' not in a fixed and permanent structure, like a department or institute. When the production is finished the organisation may be closed down. (3) The knowledge production implies problem solving, including both empirical and theoretical components, and therefore contributions to the store of knowledge, although not discipline knowledge. (4) The dissemination of the results – the new knowledge – is made directly to those who have been involved in the project/production process. Mode 2 of knowledge production is dynamic, a problem solving capacity on the move. ** Heterogeneity: an increased number of places where knowledge can be produced. *** Heterarchical: alliances and connections when establishing project organisations for Mode 2 production have in principle no limits, not least in terms of electronic/communication technology. Simultaneously there is a continuous differentiation at different places and within different activities – to increasingly sharper specialities.

lic management’ (NPM) have also reached the university ‘ivory towers.’ The Anglo-American higher education world is at the lead in this development, and the US government seems to be pushing hard for making higher education a free trade – WTO domain (Altbach 2001). As a sum effect follows the emergence of a new type of university, where a new mode of knowledge production seems to be on the rise.

‘Mode 2’ of Knowledge Production

In the early 1990s, a study was undertaken with the aim of exploring ‘major changes in the way knowledge is being produced,’ not only in science and technology, but also in social sciences and humanities (Gibbons et al. 1994). The overall frame of reference for the study was the assumption that a new form of knowledge production – Mode 2 – is emerging, while simultaneously, the traditional discipline-based form of production – Mode 1 – is continuing, but with reduced status and reduced extent (Kvil 1998; see table 1).

Summarised, the difference between the two modes is that Mode 1

Managing Global Transitions
represents the traditional production of knowledge, steered by the discipline and the professors within the organisational frame of the research institute, while Mode 2 is practical and project-oriented, and produces knowledge for application within a flexible project organisation and management.¹

*New Public Management* in the Universities (Pollitt 1995)

Mode 2 of knowledge production and changed external demands for competence, forces the university to look more closely at its own organisation. It has to ask whether the existing structuring of human and material resources, and the present goal-setting, decision making and communication processes affect the internal functions relevant for recruiting a sufficient number of students and for acquiring financial resources.

The relevant internal functions comprise the university’s production of services like research and organising of learning. The research seems pressured to move in commissioned and applied directions. Funding for research has to be achieved through competition with other institutions. The organizing of learning has to be efficient enough to be successful in the competition for fee-paying students. The production of research and learning services also has to include tailor-made deliveries off campus – to customers’ satisfaction.

The management sees these changes in the production of services as unavoidable, in order to survive financially. And, at the core of needed organisational changes is – governance and management. First and foremost the institution seems to need a board representing important stakeholders, having a motive to invest in the institution. Secondly, the institution will need a daily management that is capable of making the institution produce services of such quality that users are willing to buy them. Thirdly, the institution needs a professional administration of corporate type. The board and management have to think like corporations, in terms of future challenges and strategies. They will be accountable for the institution’s ‘academic competitiveness’ and healthy finances in the sense that, if the institution is not competitive, they will have to leave their positions.

**Anglo-American-dominated Higher Education**

**Free Trade**

*World Model Power of American Universities?*

The market-oriented New Public Management development of universities is still primarily an Anglo-American phenomenon. In Europe, UK
is a distinct and dynamic example of institutional adaptation to the ideological and economical conditions following from globalization. Tendencies are similar in Australia and Canada. However, in these countries there is still strong resistance from many professors (Currie and Newson 1998). One reason for the difference in organisational behaviour between Anglo-American institutions and European Continent institutions may be found in their historically different relation to the State. On the European continent, universities have been rather strongly governed by the ministries of education, in administrative matters, while having a high degree of academic freedom. In the Anglo American world, universities have also had a high level of administrative autonomy. In common, globally, are now seen strong tensions between three main actors: professors, State and market. The speed of change in the power balance in the individual country is, however, conditioned by the specific national cultural and political legacy. While professors in England have lost tenure, and perhaps some social status, professors in Germany still have a strong position and high social status.

American elite universities seem to have a model effect for the rest of the world. Their organisation, management, forms of service production and financing are observed by public educational planners as well as private business schools around the world. The interplay between science, education, technology and capital as seen in e.g. the relations between Stanford University, the IT companies, and the venture capital of Silicon Valley, is as a model for public planners and the emerging education industry outside the US. The most recent expression of Silicon Valley’s economics of education dynamic is perhaps seen in the emerging e-learning industry, where tertiary education hardware and software are found as profit making big business on the stock exchange (Trondsen 2000).

Higher Education as WTO-Regulated Free Trade?

The e-learning industry and the general industrialisation of higher education products seem also to have resulted in pressures for legalising higher education services as free trade in a global market. The World Trade Organisation (WTO) has been considering a series of proposals aiming to include higher education and in-service training as part of WTO’s area of responsibility. This would imply that export and import of education products are regulated by the laws and regulations of WTO, and, hence, outside of most national restrictions (Altbach 2001). WTO and its affiliated GATS (General Agreement on Trade and Services) wish
that universities interested in international trade with education services should do so with as few restrictions as possible. The education trade would be global and comprise the establishment of branch campuses, export of degree programmes, awarding of degrees, investments in education institutions in other countries and establishing of distance education delivering education services at any place of the globe (Altbach 2001).

Still, however, the nation state has close to complete jurisdiction over its higher education activities. When in the future, the wto/gats regulations are in place, all types of education services can freely be exported from one country to another. One impact of the global commercialisation of education is that countries having not already established education institutions and programmes of high quality might be overrun by foreign suppliers looking for profits, without being concerned with national interests and ‘quality as fitness of purpose’ (Altbach 2001).

Among the new ‘entrepreneurial’ universities, the Service University has appeared as a conceptual label productive for contrasting the new university model to the traditional professoriate-dominated research university.

**Service University and Research University Compared**

**The origin of the Service University concept**

‘Service University’ was for the first time applied as a label by Canadian research administrators in 1986 (Enros and Farley 1986). While considering Canada’s overall budget problems, they wondered how the universities’ production could increase in terms of effectiveness and efficiency, and, hence, give better service for Canada, with similar or slimmer budgets. Research on service university development at State University of New York took as a point of departure the public authorities’ budget behaviour in Canada and the states of New York, Wisconsin and Michigan. The states had started to push their public universities towards what was termed more relevant activities. The authorities’ means to achieve this goal was a budget- and programme policy adapted to the State’s current economic situation and the State’s research needs.

**The Service University and the traditional research university compared**

In 1995 an ‘ideal type’ of the service university was presented by Professor William Cummings (1995). Researchers from all over the world were
invited to join a research network, in order to study and compare how service university development might appear in very different national contexts.² The ideal type-differences between the ‘traditional university’ and the emerging ‘service university’ are seen in table 2.

While the traditional research university has two levels, under-graduate and post-graduate, with courses that usually span over one or several years, the service university is marked by professionally-oriented courses lasting from one week to four months, tailored to fit the needs of the client/labour market. While scientists are usually appointed for life, the service university has many temporary employees.

The research tasks of the university have traditionally been placed over and outside the university as a centre of education. Research assignments and priorities have been relegated to the individual researchers and their areas of interest. In the service university, education and research are organised in parallel. Responsibility for research policy also lies with the university leadership. Outside of the established teaching load, the individual employee of the traditional university can choose how to spend the time.

The service university is characterised by management’s control of its academic labour force through the type of contract that is concluded with external clients on the purchase of services, either in research, teaching or consultation. Financing of these two models is fundamentally different. While the traditional university predominantly lives off allocations from the State, which does not demand a clear control of results,

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**Table 2** The research university and the service university compared

<table>
<thead>
<tr>
<th>Research university</th>
<th>Service university</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts &amp; science centred</td>
<td>Professional schools</td>
</tr>
<tr>
<td>Two-tier + instructional program</td>
<td>Post-baccalaureate degree &amp; training programs tailored for clients</td>
</tr>
<tr>
<td>Year-long courses</td>
<td>One-week to four-month courses</td>
</tr>
<tr>
<td>Life-long personnel</td>
<td>Many adjuncts</td>
</tr>
<tr>
<td>Research organisation layered on top of teaching organisation</td>
<td>Service carried out in parallel units</td>
</tr>
<tr>
<td>Decentralised choice of research agenda</td>
<td>Central planning and contracting of service</td>
</tr>
<tr>
<td>Funding by gifts and grants</td>
<td>Funding by contracts</td>
</tr>
</tbody>
</table>

**Notes** Adapted from Cummings 1995.
the service university’s survival is dependent upon the contracts it acquires, and its constant competitiveness on the market.

Based on transitory tendencies, one can characterise developments as a transfer of control of the university’s total resources. With the traditional autonomous research university as a point of departure, in which tenured staff in practice have all the power to decide over principal resources, one can now sight out a gradual trend toward the other end of the continuum, where control over resources is relegated to the administrative leadership of the university on the whole.

Traditionally, it was the tenured staff of scientific personnel (the professors) who have full control over the three main resources: their own labour/time, temporary labour, extra personnel and infra-structure resources. This end of the continuum could represent an organisational laissez-faire model. The university’s actual operations were a result of the interests of the individual tenured staff. Planning, joint leadership and evaluation of the university as a whole are not emphasised, or else are lacking.

Movement in the direction of the service university would seem to imply that the professors to an increasing degree are losing control over these main resources. To a larger and larger extent, the Administration is determining which resources the professors are going to have at disposal. A completely new model could be in sight: the complete service university. Here administration and management have full control over the professors’ total labour, also their research activities. Their labour is priced in relation to what it signifies for the income-potential of the university, and the professor’s work, be it research, teaching or performance of services for clients in the region is determined by what university management has agreed upon with the individual employee. Table 3 visualises this line of thought.

The various models for control over university resources can be considered as suppositions of how the trend will be. There are clearly diverse conceptions as to the degree to which this description is synonymous with reality or not. Views are weighed differently in various research environments, and in various parts of the world. Philip G. Altbach has analysed developments within higher education in an historical and international comparative overview. He has found the same tendencies as Cummings, but underscores to a much greater degree that ‘the common heritage’ from the Humboldt tradition still seems to withstand, and will probably continue to do so in the future (Altbach 1992).
How have older, traditional universities reacted to the Service University-trends? In most Anglo-American countries the transition has occurred powerfully and effectively (Currie and Newson 1998). The joint economical interests of the State and the Market have forced universities to move towards becoming service universities. In Welfare State Scandinavia the development has been slow. An illustrative example of the Scandinavian situation is the University of Oslo. In the next section empirical findings on how professors actually react to service university-developments are presented.

**Academic Resistance to Globalisation: University of Oslo**

In 1996 a study was made on how key actors of the University of Oslo assessed an assumed service university development at this university (Tjeldvoll and Holtet 1997). In concise terms, the Oslo-study showed that the Norwegian government wanted universities to take on greater responsibility for their budgets in the future. Within the University of Oslo the following finds were made: Through its plans and programs the university had taken the consequences of the government’s signals of future reduced allocations from the State. The central leadership was divided over the concept of the service university as a principle. Appointed administrative leaders (not academics) had conceptions that were more in accordance with plan documents and government intentions. Elected top leaders (tenured personnel) expressed a more ambiguous view. Elected tenured leaders on faculty and institute levels were negative towards or hesitant to the principle of a service university and its consequences. The most salient objection was that the university’s traditional autonomy, its possibility to conduct basic research and its role as an independent critic of the political and administrative system, would

**Table 3** Changed control of university resources

<table>
<thead>
<tr>
<th>Models</th>
<th>Tenured professors</th>
<th>Contract professionals</th>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laissez-faire</td>
<td>Professors</td>
<td>Professors</td>
<td>?</td>
</tr>
<tr>
<td>University facilities</td>
<td>Professors</td>
<td>Professors</td>
<td>Administration</td>
</tr>
<tr>
<td>priced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional service</td>
<td>Professors</td>
<td>Administration</td>
<td>Administration</td>
</tr>
<tr>
<td>priced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full services priced</td>
<td>Administration</td>
<td>Administration</td>
<td>Administration</td>
</tr>
</tbody>
</table>

**Notes** Adapted from Cummings 1995.
Table 4  Assessment of service development at the University of Oslo

<table>
<thead>
<tr>
<th>Level</th>
<th>Negative (−)</th>
<th>Reluctant</th>
<th>Positive (+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central administration (CEO + 4 directors)</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central elected leadership (1)</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Faculty level (8 deans)</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Department level (8 chairs)</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Central public actors (4)</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Regional customers (3)</td>
<td></td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

be threatened if university budgets became dependent upon selling its services. The University of Oslo’s possible ‘clients’ in the Oslo region had positive expectations of an improved ‘client relationship’ to the university, but conceived the university of today as ‘a closed door.’ The findings are visualised in table 4.

Summarized, nearly all the key academic actors, except two, were reluctant or straightforward – negative, while the key external users were positive to the service university idea, as long as academic independence was guaranteed.

In a new study of the University of Oslo (Currie and Tjeldvoll 2001), a sample of professors from three faculties⁴ was asked to assess the present national and international influence on governance/management, financing, academic and administrative accountability and use of ICT. The study was part of a comparative project where similar issues were addressed to professors in three other countries.⁵ A main conclusion was that two thirds of Norwegian professors in general were negative towards the effects of globalisation on the university’s production and organisation. One third of the professors saw globalisation as an opportunity for strengthening the university. Over time, the Norwegian professors seem to be consistent in their resistance towards service university development. However, with the country’s announced national ‘quality reform’ of higher education (2002), the Government was actually trying to implement the service university.⁶

Can the Traditional Research University Survive?

The review of studies on how universities are adapting to changed conditions internationally seems clearly to indicate a general service university development world-wide. There are, however, different assessments about how far this development will go and to which extent academic
traditions will modify what is actually happening. As public institutions, universities seem forced to some change for their survival, while trying to balance individual academic freedom and institutional autonomy with sufficient accountability to the stakeholders that provide the funding (Tjeldvoll 1998). A key question is whether the university really has an internal potential and capacity for initiating and steering such change processes for constructive survival on the institution’s own independence terms. If there is not such a potential or competence present, the research university as the culture institution of a civilised society might disappear. Three scenarios are envisaged for future university development under global capitalism.

**Academic Freedom under Global Capitalism**

**THREE SCENARIOS FOR UNIVERSITY DEVELOPMENT**

When trying to imagine future development for the traditional research university, three scenarios are possible: bankruptcy, the knowledge enterprise or the academic service university.

1st Scenario: Universities Going Bankrupt

As deregulation continues, the institutions become even more autonomous, and, – simultaneously – more dependent on their own ability to find revenues, some institutions may not be able to survive. In a country like Norway one can imagine, firstly, a round of mergers between a university and one or more colleges of the same region. Then it may be seen that some of the ‘district colleges’ will have to close down due to poor recruitment and financial problems. While study fees are still not an issue in Norway, there are already indications of institutions beginning to reflect on fees as a means to balance the budget. It may be just a question of time until study fees are introduced. If so, the market situation of Norwegian higher education is dramatically changed. Students’ choice of institution for studies will be based on assessments of ‘best rate of return.’ They will be considering the relevance of study programmes and quality of teaching. Such student behaviour is likely to favour the larger and stronger institutions in terms of human resources and ability to adapt to students’ needs. Those colleges which cannot attract students will have to close down. If also privatisation increases and WTO regulations come into operation, even the universities and scientific colleges in oil-rich Norway may be in trouble.

*Managing Global Transitions*
2nd Scenario: The Knowledge Enterprise

This scenario is rapidly becoming reality internationally. The number of institutions established, or changing, in order to supply customers or clients with tailor-made study programmes or commissioned research is increasing. The pattern seems to have three features. Firstly, there is the increased establishing of new, especially net-based institutions that are purely commercial. Next, there is a commercialising of some traditional research universities. They either will change to become primarily market-based, or else they will establish ‘an annex-institution’ to take care of commercialisation of the products that can be sold in a market. Finally, there are ‘corporate universities.’ Already several large corporations have established their own ‘corporate university’ to take care of the company’s research and training needs (e.g. Norwegian Telenor). Compared to the traditional content of the concept ‘university,’ it does not make sense to call these knowledge enterprises – universities. To the extent that such enterprises will dominate the higher education sector, the university as ‘institution’ is lost.

3rd Scenario: The Academic Service University

Historically, the ‘university’ has always been a service university – producing services for state, working life and civil society. Included in its production of services there has developed the ideal of free, independent and critical research and teaching – as a particularly important ‘service to culture and civilisation,’ exemplified in the slogan ‘speaking truth to power.’ Will this ‘civilising’ service continue to be produced, when the university is forced to take more direct responsibility for its budgets, by e.g. marketing more and more services to user groups willing to pay?

Is not this already the normal situation for academically excellent, private, rich institutions in the US? They have survived well by gifts and revenues, while simultaneously producing first class scientific research, critique of capitalism included. For these institutions the present situation can hardly be seen as anything new. The more interesting question is: What will happen to public institutions in e.g. Norway, that has up to now been financially carefully protected by the State? Will they be able to transfer to ‘academic service universities’ of the US type? Having no tradition at all in management and financing on their own, they may face serious difficulties. In principle they ought to be able to establish systems of management and financing, making it possible for them to keep a healthy balance between academic freedom, institutional autonomy and
the need for sufficient accountability to the stakeholders supplying the revenues (the State and the market). Under certain general and specific conditions this might be possible.

**Conditions for Survival of Academic Freedom**

Some general frame factors obviously have negative effects on keeping up free, academic research, while other conditions may be the opposite. Among the negative conditions are ideological shifts and market economy, while Internet technology, the importance of free research for innovations and the strong western academic culture traditions are seen as positive conditions for keeping up free research.

In the global market economy, competition and profit are two key features. In order to survive, any organization has to produce services of such quality, – seen from customers’ point of view – that the producer can deliver and bring profits to its Mandator (Owner).

Increasingly, also public institutions are having boards that represent stakeholder interests more directly, and a management that is made accountable to this board. Without research and teaching products that are seen as being of relevance and quality, and therefore are demanded by users, the institution will have a risky future. Within higher education a new rationale has emerged. Higher education is no longer a societal good that everybody as a human right should have, paid by public resources. Instead, it is seen as a good for the single individual. Higher education increases the person’s ‘human capital’ in the labour market, and the expenses should therefore, mostly, be paid by the person. As a consequence of this principal change, also the professor’s situation will be influenced by the ‘student customers’ needs,’ and the academic freedom may hence be constrained.

The knowledge-based global market economy has widespread effects in terms of next to immediate needs for new knowledge and for new learning in most organisations. They need research and training services continuously in order to stay updated and competitive. Hence, they have to buy such services where they can find the highest relevance, best quality (as fitness of purpose for) and a price they can afford. Increasingly also public organisations find themselves in this situation. And, they do not any more necessarily only buy from their own public institutions, as before, but may go to the open market, behaving like regular customers.

The recent Norwegian higher education reform (from 2002) can be seen as an example of how a nation is trying to modernise its higher
education system in order to be better equipped to match international trends (Norwegian Ministry of Education 2000). Private higher education is given better conditions. Public money will follow the student, encouraging him or her to be conscious about choice of institution. Study programmes are made three-tier ($3 + 2 + 3$ years) and the old ‘domestic’ degree labels have been abolished in favour of internationally more frequently found degree labels (Bachelor, Master and PhD). Against strong protests from the professoriate, the Norwegian government has changed the legal framework in order to push the institutions to make necessary changes in their production, content, degree structure and organization. Seen in a totality, it is fair to claim that the global knowledge economy has meant reduced conditions for free and critical academic research.

According to Castells (1996), *The Information Technology Revolution* contributes strongly to intensifying market orientation and reinforces capitalism (of an impersonal character). The new technology is seen as the very Engine for globalising the economy. Simultaneously, the same technology has qualities for opposing global capitalism. The technology gives opportunity for different groups’ effective organizing in networks, wherever on the globe they are localized. Aims and activities may be liberating or destructive. The September 11th attack is a particular dramatic confirmation of Castell’s predictions from 1997, about the force of network communities.

The generalised lesson learnt, however, is that non-authorised activities, cultural or political may go on as a liberating effect of the new technology. This may also be the case for the universities. The professors may use the Net and computers for effective data collection, quite cheaply. They may co-operate with colleagues all over the globe, *uncontrolled* – and work may be done fast. Professors’ actual use of the new technology differs, a lot considerably in different parts of the world. It is used a lot in market-oriented Australia (Currie and Newson 1998), while hardly at all in public institutions in affluent Norway (Currie and Tjeldvoll 2001). The technology has the potential both to reinforce the autonomy of the institution and to safeguard the free academic work space of professors. The precondition obviously being that the professors see the possibilities and are motivated to apply them.

A particular feature of western, free research is that it generates genuinely new ideas. Looking at us universities of excellence they, on the one hand, are innovative in technology, management and economy and serve the us defence complex. On the other hand, they also have excellent re-
searchers in e.g. philosophy and sociology, speaking ‘truth to power.’ It is possible to imagine that these universities are competitive, academically and financially, exactly because of their ability for creative and critical thinking, embedded in their historical tradition.

As far as such creativity is expressed in their applied activities, these institutions may strengthen their position in the international market (for research and higher education). Creativity as understood within ‘human capital theory’ and recent growth theory, where learning and knowledge are seen as critical factors for competitiveness, may contribute to both public and private capital investments in traditional research universities (Hatteland 1995).

The western, academic cultural tradition is likely to be an important positive frame factor for continued free and critical research, even though the university in general is being commercialised. This particular tradition may prove to stay strong for a long time ahead. Even the present most typical knowledge enterprises – international private business schools – put great efforts into being seen as independent research institutions in the academic tradition. The motivation seems to be both pragmatic and symbolic. Research promotes the quality of their business. When the institution has an international reputation in terms of high quality of independent research – it gives an image of credibility. Independent research is primarily about validity and reliability in descriptions and analyses of phenomena done in a way that gives credibility. Credibility has great value in customer relations and marketing. Both the academic tradition in itself, its cultural strength in academic environments and in the public opinion – as well as its importance for credibility in ‘the chain of value creation’ – can be seen as positive general conditions for keeping up free research within a market-based service university.

**Concluding Remarks**

Within the general conditions of global knowledge economy, information technology and the university’s traditional innovative qualities, a number of specific conditions are likely to determine what is actually happening, which are the institutions that will continue as research universities, which will be pure knowledge enterprises and which will disappear. The Mandator’s academic identity and opinion of research, the management’s academic and administrative quality and creativity, and motivation among the professors will, in sum, determine the actual
The Service University

Taking Norway as an example, the Ministry of Education as Mandator (Owner) of the university has, after given funding and setting certain regulations, kept at fair distance from the institution’s research and teaching. So far. The University Board has had a majority of representatives from the academic staff. Gradually, the Ministry has made attempts to increase the number of external representatives, in order to strengthen external legitimacy. In recent years there has been an option for institutions to freely increase and actually have a majority of external representatives. By 2002 only two of the colleges had opted for this. In recent legislation, external board majority is signalled to become standard procedure.

The board majority’s real opinion of science and independent research will be decisive for the development profile of the individual university. Hence, the criteria for appointment of external board members, who appoints and which persons are actually appointed, may prove decisive for the quality of the institution’s inner life. In the Norwegian context it is likely that the Ministry will continue to play a key role in the implementation of higher education policies. Hence, the State’s opinion of science and research will be an important specific condition for continued academic freedom. The ‘State’ is twofold: First there is the bureaucracy in the Ministry, not least representing old academic traditions quite strongly. Second, there is the Minister, who will change irregularly, representing different parties and ideologies. However, the Minister’s identity as a result of her/his own education and socialization may be an important specific condition for university development.

Even though the University Board’s decisions, in the future, normally will be decisive for the institution’s goals and strategies, there will often still be independent room for action within the given policy lines – which can be exploited by the daily management of the institution. Today, the management of Norwegian institutions consists of an elected rector, and an administrative director with tenure. Popularity for being elected as rector, or reasons for being appointed as top bureaucrat have not very clearly been based on criteria of effective management for knowledge production and teaching. It has proved quite incidental whether the academic and administrative top management has had real management competence. The rectors are normally only chairpersons of the board, and a symbolic representation figure externally. The director is normally behaving from traditional bureaucratic rationality, as the Ministry’s extended strong arm into the institution.
Whether university top management in the future will continue to be elected or appointed, it will prove decisive what sort of academic identity the president-manager has. If the rector (with real management powers) has a genuine academic identity, there are reasons to think that the room for action given by the Board will be used to its maximum. On the other hand, if the elected or appointed top management in reality has a pure bureaucratic or economical-bureaucratic identity, the focus on revenues will over and above be more important than the conditions for free research, especially in subjects and disciplines without immediate market value.

If the university top manager, in addition to identity and status as an academic researcher, also has high competence in corporate management, it would add to making her/him a positive condition for the autonomy of the institution. The present system of a state appointed director bureaucrat would not suffice, when the university has to operate in a market, and take responsibility for the budget itself. Without a healthy economy base and healthy finance management, the institution would be uncertain and vulnerable. It might lose its best academic players (researchers and teachers of excellence), and by implication lose in the competition for important research and training contracts.

The top management to safeguard academic freedom will provide creative recruiting of researchers, also philosophers and sociologists, in order to have a foundation for meta science discussions, to keep up a continuous debate about the eternal academic issues. Such activities are needed in order to keep up the institution’s identity and affect a convincing ‘brand name’ externally, as ‘the research-based service university.’ Hence, the top management will need to transfer resources from areas with external revenues to foundation areas, important in themselves, but not directly market relevant. One way of safeguarding the ‘non-profitable’ subject areas, is to earmark state funding for them.

The final specific condition for keeping up academic freedom in a market-based university, is the academic staff’s opinion of their own organisation. Normally, the single professor is mostly concerned with and has identity in his own subject area. His interest for organisational issues normally is limited to how the annual budgets influence his research. In the future, the professors’ degree of involvement in the university’s total production and organisational development may prove decisive for the institution’s position, status and international competitiveness. Such ‘organisation competence’ is conditioned by the academic staff’s ability
to find a balance between the individually decided free research, the collective responsibility for the autonomy of the institution and the societal responsibility in relation to State, working life and the civil society. In order to keep up optimal conditions for individual academic freedom, the staff may have to assess how their preferred research is accountable for their institution – and for the society of public and private users – who finance the professors’ projects and salaries.

Notes
1 An example could be the ‘the semi-public Institute Sector’ in Norway.
2 USA, China, Korea, Indonesia, Russia and Norway.
3 In the study the following questions were posed: (1) How do you assess a transition in the financing policy toward the universities – from mainly a responsibility of the State, to a greater dependence on selling research-based services to their clients in the region? (The respondents: administrative and academic leaders at the uo), (2) What are your expectations for the uo’s possibilities of offering research-based services? (Respondents: key user groups in the Oslo region).
4 The three faculties were: Mathematics and Natural Sciences, Social Sciences and Education.
5 The other universities were located in France, Australia and the us.
6 Http://odin.dep.no/ufd/engelsk/publ/veiledningeer/014071-120002/index-dok000-n-n-a.html.
7 By 2008 it is still illegal to charge fees for any regular higher education study.
8 A private business school, Norwegian School of Management b1, has recently taken active steps to increase ethical consciousness among staff and students. In order to more effectively (!) reach this aim, cooperation has been established with another private higher education institution, specializing in ethics, The Independent Faculty of Theology.
9 Buskerud University College is an example.
10 Recent signals from the Ministry (Autumn 2002) indicate that the institutions themselves will have the right to decide whether they shall continue the pratice of electing the rector, or change to have an appointed leader (http://www.dep.no/ufd/norsk/utdanning/hogreutdanning/kvalitetsreformen/04506).

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