

## Executive Summary

Higher education drives and is driven by globalisation. It trains the highly skilled workers and contributes to the research base and capacity for innovation that determine competitiveness in the knowledge-based global economy. It facilitates international collaboration and cross-cultural exchange. Cross-border flows of ideas, students, faculty and financing, coupled with developments in information and communication technology, are changing the environment where higher education institutions function. Co-operation and competition are intensifying simultaneously under the growing influence of market forces and the emergence of new players. How will global higher education evolve over the next 20 years? How can governments and institutions meet the challenges and make the most of the opportunities?

*Higher Education to 2030: Globalisation*, the second in a four-volume series, addresses these issues both from a quantitative and a qualitative standpoint. Increased global competition in higher education, simultaneous to cross-border collaboration is illustrated not only on a global scale, but also at a regional level through developments in Europe. Though the emphasis is on the OECD area, the reflections have a worldwide scope with particular emphasis on the potential of China and India. The book explores significant trends in higher education provision, financing and governance, including a specific focus on the future role of market forces, mobility, and quality assurance in higher education.

The reviewed trends point towards the possible following key developments in the future:

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### *Cross-border higher education, implying mobility of students, faculty and institutions, will grow*

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Student mobility has increased significantly over the past decade, supported by internationalisation policies within Europe and in some other countries. Institutional rankings and pressure on financing are likely to continue to boost student mobility and global competition for international students – increasingly of Chinese or Indian origin, and attracted by English-speaking destinations. Geographical mobility of faculty, predominantly south-to-north and east-to-west, is likely to continue, driven by salary and superior infrastructure. Moreover, other types of cross-border mobility may become more important in the future, as has been shown by the sharp rise of programme and institution mobility over the past decade, especially in a few Asian countries. In the future, the increase in institutional mobility could take several different paths. It might level off due to the related costs and risks. Alternatively, the market could expand if host countries gradually become exporters of higher education services. In addition to the commercial

approach, development of cross-border higher education through partnerships or along linguistic, religious or strategic lines could be envisaged in the future.

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*Academic research will become increasingly international and will continue to be affected by both collaborative and competitive forces*

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Cross-border collaboration in research has grown along with the development of information and communication technologies. The number of internationally co-authored articles more than doubled over the past two decades. International funding for university research has also increased, even if it still represents a small share of research funding. However, international rankings based heavily on research criteria are likely to further increase global competition, especially for research talent, as numerous countries are attempting to build so-called world-class universities. This raises the major issue of where academic research takes place. When taking into account the diverse objectives of higher education, the model of concentrating resources in a few institutions is not necessarily superior to the model of supporting excellent research departments across the different institutions and regions in a given country.

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*Higher education systems in Asia and Europe will gradually increase their global influence, although North America will continue to hold a clear advantage especially with regard to research*

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Over the past two decades, even if from lower starting points, the growth in scientific output has been faster in Asia and Europe than in North America. China and India, the two largest academic systems in the world, will have an increasingly important role to play in the future, even though they are unlikely to rival OECD systems in terms of quality in the medium term. A significant challenge for both countries is to create a sufficiently deep and extensive national research infrastructure. In European higher education, the Bologna Process has initiated reforms aimed at increasing global competitiveness through regional co-operation, providing an interesting example for other regions. While this has already led to some convergence of degree structures and to common frameworks for quality assurance and qualifications, the emergence of a fully integrated European higher education system is not yet in sight. Further harmonising of systems will imply finding a balance with the simultaneous trend towards institutional diversity.

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*Private higher education provision and financing will increase worldwide, especially outside the OECD area*

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On average, the growth of private higher education and, especially research funding, has been faster than that of public funding in the OECD area, although in the majority of OECD countries higher education is still largely funded by the public purse. With the exception of Japan and Korea, the persistent reliance on the State is even more marked in higher education provision, since the private sector caters to an increasing number of students in only a small number of OECD countries, namely in eastern Europe, Portugal and Mexico. Worldwide, however, both

private higher education provision and funding have seen significant increases over the past decades. This growth is likely to continue, especially in developing countries where rapid demographic growth will continue to boost higher education demand.

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*Growth of market-like mechanisms will be more marked in higher education governance through the use of performance-based and competitive allocation of funds*

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The increase of competitive research funding in many OECD countries, together with an emerging range of merit-based grants and loans worldwide, reflects the global quest for accountability, efficiency and effectiveness. However, while demand-side financing has growth prospects, especially in higher education systems that already combine a mixture of public and private elements, traditional supply-side models of allocating government funding are still largely predominant in most OECD countries. Taking into account specific economic, social and cultural contexts, an essential challenge for higher education systems is to combine the encouragement of efficiency and excellence with the promotion of equity and access.

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*Focus on quality assurance will strengthen in response to the growing importance of private and cross-border higher education, institutional rankings and the quest for accountability*

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The overall emphasis on quality assurance has started to move towards assessing educational and labour market outcomes instead of inputs, but there are still notable differences between audit and evaluation approaches across regions. At the same time, one can observe the emergence of cross-border accreditation and a general strengthening of co-operation across borders: several regional networks of quality assurance agencies have been established and there is an increasing interest in establishing common regional criteria and methodologies, particularly in Europe. The emergence of a common quality assurance framework on a global scale does not, however, seem likely in the near future.

The book starts by illustrating trends and developments in the global environment of higher education and reflecting on how higher education might look in the future. While the thematic focus is on cross-border education and academic research, the specific cases of emerging Asian giants and European co-operation are examined in more detail. The book then shifts its focus to the themes of higher education provision, financing and governance that have a crucial impact on the capacity of countries, institutions and individuals in the context of globalisation.

Chapter 1 (Marginson and van der Wende) provides a comprehensive framework for understanding the dynamics of higher education and globalisation. It examines positions and strategies of different countries in the global environment, with a specific focus on research capacity and performance. The chapter concludes by reflecting on challenges and opportunities related to cross-border higher education and global public goods.

Chapter 2 (Vincent-Lancrin) explores developments in cross-border higher education, particularly with regard to student and institutional mobility. After depicting the main past

trends and recent developments, the chapter sketches different paths cross-border education may take in the future, taking into account economic, political and cultural considerations.

*Chapter 3* (McBurnie and Ziguras) examines the prospects for cross-border mobility of institutions and programmes through four scenarios. Drawing on current trends in student demand, programme delivery and government policies, the focus is on Australia and South East Asia, the leading regions in the development of cross-border programme and institution mobility at present.

*Chapter 4* (Marginson and van der Wende) reflects on the interrelated dynamics of higher education and globalisation through three concrete examples. It first examines the policy developments within Europe, after which it takes a critical look at global institutional rankings and cross-border faculty mobility worldwide.

*Chapter 5* (Vincent-Lancrin) focuses on past macro-level trends in academic research in OECD countries. It provides an overview of current characteristics of academic research both in terms of funding and activities in relation to research performed by other sectors. The chapter concludes by highlighting challenges and sketching scenarios for future academic research.

*Chapter 6* (Altbach) examines the characteristics and future potential of higher education systems in China and India. After a historical overview, it discusses the role of the two countries as international higher education players in relation to cross-border mobility and academic research. The chapter concludes by looking at the internal challenges confronting Chinese and Indian higher education, namely access, equity and private provision.

*Chapter 7* (Witte, Huisman and Purser) provides an example of regional co-operation as a strategic choice in the context of globalisation by taking a detailed look into the Bologna Process in Europe. After reviewing the complexity of the process and taking a stock of the main reforms related to it, the chapter discusses continuing challenges and alternative scenarios for the future of European higher education.

*Chapter 8* (Teixeira) discusses the emergence of private higher education institutions on a global scale. It first recalls the history of private higher education, in particular against the background of the evolution of the modern State. The chapter then illustrates the driving forces behind the recent growth in private provision in several regions of the world and concludes by discussing the potential roles for private higher education in the future.

*Chapter 9* (Vincent-Lancrin) analyses past macro-level trends regarding the relative importance of public and private higher education within the OECD area. It first examines the role of public and private provision through changes in student enrolments and then focuses on changes in higher education financing from the perspectives of institutions, students and governments.

*Chapter 10* (Salmi) explores how higher education could develop in a financially sustainable way in the future. After discussing the main trends likely to impact future higher education financing, it presents the main characteristics of higher education financing today, with emphasis on funding sources and allocation mechanisms. The chapter assesses three scenarios for the future of higher education financing from a sustainability perspective.

*Chapter 11* (Lewis) reviews the evolution of higher education quality assurance worldwide. It first examines different quality assurance models and differences in their use across regions. The chapter then reflects on a number of emerging trends with regard to quality assurance approaches and methodology as well as to cross-border quality assurance.