

6 Vitis Vinifera, the City of Traders and Micro-Climates

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Vitis Vinifera is renowned for its trading and for the diversity of its products. Travellers come from miles around to purchase goods and services that are widely believed to enhance future prosperity and the quality of life. It has no central market as its producer-merchants prefer to trade from their homes across the city. Curiously, while bustling back and forth across Vitis Vinifera in search of the right product at the right price, the first-time visitor is only fleetingly struck by the notion of being in a city at all.

There is little that seems to hold the city together as an entity – the roofs are made of tiles of different hues and textures; the cobbles paving the divergently dimensioned streets seem cut from geological formations from the four ends of the earth – so as one turns each corner it feels as if one has entered another city; gardens display a bewildering array of botanical growth and colour – from arid desert cactus to steamy jungle undergrowth; through open windows can be glimpsed rooms, decoration and furniture that could belong to one hundred different tribes and territories; the dwellings themselves (each with their own stall or shop-front) are built from such dissimilar materials and of such contradictory design – polymer tent, log cabin, stone church, glass house, icy igloo, sand castle, steel tower, thatched hut – and of such varying dimensions – thirty metres high, barely above ground, stretching across a full city ‘block’, crammed next to each other on a postage stamp plot – that it is clear that Vitis (as it is known colloquially to its residents) has no city planning committee, nor a hegemonic architectural practice.

On reflection, and after the initial disorientation of the first visit, the underlying reality begins to make itself clear. It seems that the diversity of the visual experience initially blunts the other senses – for as one walks through the city one’s body alternately freezes and bakes, is drenched in rain, blown off course, enters twilight and emerges steps later with the sun at high noon. Vitis is a city of micro-climates, a triumph of terroir, where each household produces and trades in a niche customised meticulously to its own environment.

With stylistic debt to Italo Calvino’s *Invisible Cities* (1972)

Europe 2020

Europe 2020 is not dramatically different to the Europe of 2004 – geographically and politically. The UK has not drifted continentally across the Atlantic,¹ and the ongoing EU accession process has not altered the fundamental political dynamics of Europe: an uneasy cohabitation of national sovereignty and shared supra-national interests and coordination. In terms of economic strategy the optimism of the early years of the

¹ Although its relationship with the rest of Europe remains intriguing: the BBC still reports that the continent is cut off when thick fog descends over the channel.

century has been tempered by more realism about the limits to what can be achieved by joint pronouncement, about the fact that fundamental socio-economic change requires a long period of gestation, and the recognition that the lead established by Europe's major competitors in the global economy would not be clawed back in a decade. Europe 2020 is not the world's leading knowledge economy – it remains a very serious player but has not caught up with, let alone overtaken, the USA and Japan and the economic growth of China has surprised all three.

The socio-political agenda has however changed significantly – while innovation and the knowledge economy remain important priorities they have lost some of their iconic and 'only show in town' status. The newer shows in the towns of Europe are more focused on the quality of life – longer (working) lives, travel and leisure, the environment, paramedical therapies, media and design, cross-cultural relationships, critical consumerism, urban social cohesion.² The economic base (largely service and knowledge based, but with significant primary and secondary production in the far North, East and South) has proved robust enough – Europeans don't wish to be wealthier than everybody else – those that do have moved to the more entrepreneurial shores of San Francisco, Sydney, Shanghai or Sao Paulo.

Higher Education Policy Research 2020

The market, moving like the Lord in mysterious ways, is better understood and its hand is sighted on the occasional clear day. Path breaking social science theory and research in the early years of the century has led to a far more nuanced analytical appreciation of *markets* as well as different economic, social, regional and geographical dimensions to them.

In a similar vein, a series of monographs produced in 2011 by CHEPPS³ of the Universiteit Eindhoven⁴ helped many move away from some of the blunter analytical concepts in higher education policy analysis: CHEPPS staff and an increasing number of fellow thinkers no longer use terms like *the* university, *the* higher education sector, *the* market, and *the* academic profession let alone try to describe any characteristics these may have. While some may privately mourn the passing of an era when universities were universities, professors professed and students were seen and heard – it is now accepted that higher education in practice (if not always in policy) encompasses all post-school education and training. This is an enormously diverse field and most of what happens is driven by *markets*. Nevertheless educationalists,

² One illustrative indicator: in 2017 for the first time Bonsai trees outsold Personal Communication Aides (PCAs).

³ The Centre for Higher Education Policy Studies with two Ps - a famous Dutch author like Charles Dickens with two Ks. (See Monty Python: *The Bookshop Sketch*).

⁴ The Technological and Social Science legs of the University of Twente split (painfully and irreparably) in 2009 with the social science part taking the next available name: the University of Twenty-One.

trainers, programme developers and researchers⁵ are seldom driven to market easily and even less frequently via the shortest route.⁶ It is not just these complex relationships between markets and the higher education sector that have made higher education policy studies such an interesting, challenging and respected field – for the key third triangular player, national and supranational authority, has in no sense retreated (defeated) from the field.

What did happen however was that national governments and the European Commission became more realistic and more selective about what could be achieved in a highly diverse and complex field of social life where governments have limited steering capacity and a restricted set of steering instruments at their disposal⁷.

Broad Trends in European Higher Education

While there remains considerable variability across different European countries and different national higher education policy histories make fascinating reading, the trends are clear:

- higher education programmes⁸ are now being offered more flexibly by a wider set of institutions to a broader range of learners (in terms of age and socio-economic background);
- higher education programmes are more responsive to the needs of learners and different economic sectors;
- institutions have more autonomy than they had 20 years ago particularly in terms of student selection, programme development and curriculum content (most national quality assurance and accreditation systems stepped back from programme level accreditation and licensing in the period 2007 – 2010);⁹
- the share of higher education accounted for by private providers¹⁰ has increased significantly, as has the proportion of private funding within public institutions;

⁵ These are four of the 27 (EUFO) job descriptions introduced across the EU in 2009 to enable a sensible discussion about what had hitherto been described as academic staff.

⁶ An experienced mid-western cattle farmer advises that the first and crucial stage in any attempt at herding buffalo is to make sure that you have a pretty darn good idea of where the buffalo wish to go.

⁷ Governments and the EC appear to have accepted CHEPPS first law: Higher education institutions are by definition smarter than Ministries and coordinating agencies so effective steering is always difficult, and its corollary: Where the first law does not apply, the capacity problems in higher education make steering a hopeless cause to begin with.

⁸ ‘Programme’ is used here in a very neutral way: most programmes are now flexible combinations of courses, modules and often work experience. Purists argue that most are not programmed at all.

⁹ Apart from buffalo characteristics and the first law of CHEPPS mentioned above, programme level accreditation was defeated by logistics (100,000 programmes) and by strong arguments from the market that it was incompatible with innovation, responsiveness, renewal and mass individualisation.

¹⁰ In most countries the line between public and private providers has become more permeable. One third of European governments now finance undergraduate studies in accredited private institutions. Ten countries have passed ‘Chalmers’ legislation allowing public institutions to step out of the public sector and become private foundations. On average 8 public universities declare bankruptcy each year with governments declining to bail them out - rather preferring to sell them off to the private sector, in some notable cases via management buy-outs.

- public (teaching) funding of higher education programmes at public institutions is increasingly based on (targeted and competitive) student enrolment at the undergraduate level – postgraduate programmes are predominantly funded only through tuition fees;
- public research funding (including that for PhDs) is highly competitive and selective – benefiting research groups that are very good and/or strategically relevant. The share of research funding distributed by national research councils has diminished as the role of the European Research Council has expanded;
- in one way or another the great majority of students now pay tuition fees, and most, if not all, institutions have the ability to set their own differential fees (within limits that vary nationally in the amount of discretion they allow);
- student support grants increasingly target the first degree level, are income contingent and only the very talented and the very poor have their full costs covered – student loans are an accepted reality across Europe and are offered by public, private and mixed ‘student banks’.

Students and Study Programmes

Student participation has grown remarkably over the past two decades but the effective broadening of ‘higher education’ to incorporate most of the further education sector and much of the training industry makes it difficult to precisely quantify the change.¹¹ In this broader definition most European countries now have participation rates exceeding 70% of the traditional age cohort but the most pronounced growth has been in ‘adult’, ‘mature’ or ‘life-long’ learners.

The age range of students has also increased enormously – major groups include the immediate post-school cohort (for Certificate, Diploma and Bachelor programmes – typically publicly funded but with a high loan component), early and mid-career working people (for second Certificate, Diploma or Bachelor programmes or a Master – typically self or company funded) and increasing numbers of post 45-year-olds for interest or for second career purposes (self funded, but with some government retraining funding and increasingly tax credits). The recognition of prior learning is common place in the majority of HEIs other than the few ‘collegiate’ institutions that have retained the development of a critical and responsible citizenry (from 18-21 year old young adults) as a core part of their mission.

Higher education institutions, Brussels and EU member states all recognised that a minimum level of shared understanding of qualifications was essential if a diverse higher education market place was to be effective in meeting the diverse higher education and training needs of a diverse Europe and its diverse markets. The Bologna process was expanded to include sub-degree qualifications. The Certificate, Diploma, Bachelor, Postgraduate Diploma, Master and (research and professional) Doctor structure of 1, 2, 3, 1, 2 and minimum 2 years duration, sub-divided into 60 ECTS

¹¹ Professor Kaiser of CHEPPS estimates the full-time equivalent growth in Bachelor registrations in EU member states at 18% over the period 2007 to 2017, and that for Masters candidates at 25%.

credits per year is now standard across the EU, and almost standard in other European and neighbouring countries. Training programmes of less than a year, but of at least 10 credits, are also registered by the EU's Higher Education and Training Authority (HETA). Although it is not mandatory for them to do so, it is estimated that 98% of public institutions and 80% of private and non-European providers register their qualifications voluntarily given the extensive use of the HETA database in the market places for 'graduates'.¹²

HETA is neither an accreditation nor a quality assurance agency. Rather it is a data-warehouse for HE programmes with a limited audit capacity to verify the information provided via random checks (mainly on programme duration and entrance requirements). HETA is widely perceived in the HE industry as a body not to be messed with: the sanctions for fraudulent reporting are severe. Beyond this rudimentary system of registration, quality and relevance are widely believed to be matters best left to the markets to assess. A minority of member states have national accreditation procedures for public HE programmes but the dominant model is one of multiple accreditation possibilities that are chosen strategically by HE providers – often on the advice of highly paid marketing professionals.¹³ The diverse markets for Europe's HE 'graduate output' have surprisingly sophisticated methods of assessing the skills and competencies of graduates, and the 'quality' of programmes – these vary enormously by economic sector, 'profession' and region.¹⁴

There is however increasing public concern about declining and/or differential higher education standards across Europe. Political leaders and higher education executives have been fairly pragmatic about this – conceding that there is more variety in the system by design, arguing that more information is available to prospective students and pointing to comparative international research by the University of Malta that suggests the 'aggregate quality range' within European higher education has increased enormously but still remains less diverse than in the USA.

Student Mobility and Internationalisation

Despite all of the hopes of the Socrates and Erasmus programmes and some of the underlying motivation of the Bologna process, cross-border student mobility at the first degree level within Europe remains limited – some 10% of students complete a Bachelor's degree in another European country and a further 10% take a semester

¹² The nice Anglo-Saxon distinction between *graduates* and holders of lesser qualifications has fallen into such disuse that *diplomate* can no longer be found in the Complete Oxford Dictionary.

¹³ Governments without their 'own' accreditation agencies decide which agencies they will accept for institutions to qualify for public funding.

¹⁴ See the guides published periodically by 'WHICH' – particularly instructive are its *Where to find the best training in...* Floristry (May 2009), Tourism from China (June 2009), Green Architecture (July 2009), Feng Shui (April 2010) and Polymer Engineering (Sept 2010). Note the emphasis given to inter-personal and life skills in each case. CHEPPS researchers have found that guides of this nature and Lonely Planet's 'Best European student cities' are far more influential among prospective students than HEIs own marketing materials and the various 'university rankings' published annually by major European newspaper groups.

away. Most analysts attribute this to the persistence of mother tongue instruction at the undergraduate level and the unexpected social trend in the 2010s of late adolescents wanting to remain in their parental home. Mobility at the Masters level is far greater both within and across countries (almost half of Masters students take their degrees at a different university – and a third of these in a different country) reflecting the trend of more and more Masters programmes being taught in English and European parents drawing a line under extending hospitality to their offspring.

Higher education has become one of Europe's most important trading commodities. While the pattern varies across different countries, higher education is one of the top ten service sectors in many European economies. The UK, Netherlands, Sweden and (northern) Italy are the most successful, but the levels of flexibility and international responsiveness shown by sectors of the Polish, French and German university systems would have been unimaginable a decade ago. Europe continues to attract more and more international students and is cutting significantly into the market shares of both the USA and Australia.¹⁵ Within countries, internationalisation has become one of the most important dimensions of system diversity – some institutions have embraced it to the point of specialisation while others have deliberately excluded the international dimension from their niche.

Institutional Landscape

Most countries have abandoned institutional differentiation by type (university, college and polytechnic) and only philosophers and historians retain any real interest in the question of what a university is. Politicians, prospective students, the general public and markets are content with the pragmatic position that a university is what it does. Europe's universities (and alternatively baptised HEIs) do very different things. Europe's 6,000 higher education providers have considerably more than 100,000 programmes registered with HETA. Of these providers fewer than 800 would be recognisable to a 1990s alumnus as traditional comprehensive universities, and fewer than 400 offer PhDs in more than five fields. The modal HEI offers 10 study programmes at the C, D, B and M levels in two or three broad fields of study.

The diversity across Europe's universities is as vast in terms of focus as it is in programme offerings. Most have opted to be (or have accepted a compelling business case to remain) a combination of national, regional and local institutions with close relationships to proximate stakeholders and their needs. Only a minority aim to be international and trans-European centres of (mainly English language) learning and scholarship. Research is increasingly concentrated in (Western and Northern) Europe's elite universities – claimed to include four of the ten best in the world – but surprisingly these elite institutions seldom have their undergraduate programmes assessed as being the best. The most selective programmes (with the exception of

¹⁵ Saatchi and Saatchi's celebrated advertising campaign 'We have culture, we have no flies and you can drink the world's best beer and wine at 18!' is seen by many to have been a decisive intervention.

Doctorates) tend to be at small specialised institutions, both public and private. The different niches that higher education institutions have chosen are reflected in their student bodies (age, national origin, full or part time, contact or distance mode), in the accreditation they seek, in their language policies, in the tuition fees they charge, in their mix of funding sources and in their staff profiles and reward systems (see below).

One-third of higher education providers are private but most focus on shorter cycle certificate and Diploma programmes, often at the post-graduate level. Only a minority operate in the first Bachelor degree market. These are mainly in Eastern and Southern Europe. The trend has been for this minority to receive public financial support for Bachelor (and often Certificate and Diploma) students provided that they are nationally accredited. The private university sector has grown significantly particularly in the MBA and ICT fields, many new providers (and more and more traditional ones) offer educational services via broadband interactive web-streaming technologies, while the market share of the European campuses of US and Australian universities has dropped significantly from its 2005 high of 2%.

Funding

The funding mix varies according to institutional profile and (decreasingly) its public or private status. Most public institutions are dependent primarily on government grants linked to student enrolments at the initial Certificate, Diploma and Bachelor levels and on tuition fees. Fewer and fewer governments fund institutions at the same level for all of the students they enrol. The most talented, those in areas perceived to be strategically important and under-represented groups tend to come with higher prices attached thus making targeted student recruitment a very competitive and potentially lucrative business. The average public university now receives 57% of its funding through direct grants from national government but the range is considerable. The entrepreneurial University of Warwick receives 15% from this source whereas many locally orientated non-technological universities continue to receive over 80% of their funding via this channel. In general terms, most governments now see their subsidies to institutions in ‘prices for services’ terms and not as ‘contributions towards actual costs incurred’.

Tuition fees vary from 280 to 28000 Euro per year for a Bachelors degree.¹⁶ Higher education institutions decide for themselves what tuition fee levels to set for each programme but national framework legislation sometimes sets limits on this, as do national student financial aid policies which have maximum tuition fee levels for loan/grant recipients. CHEPPS research indicates that most institutions charge what they think the market will bear but that the popularity of the programme (some receive over 100 applicants for each available place) and the perceived level of competition with other programmes (and the fees charged) are important factors. Tuition fees are paid through a wide variety of sources – students, parents, employers and the

¹⁶ The cheapest is a Norwegian Regional University near Tromso while Switzerland’s leading hotel school is the most expensive (*The Economist*, March 23, 2019).

government itself for some first degree students (the very talented, students in undersubscribed but important fields, and the very poor) in some countries.

Less than one in ten HEIs receive public (basic) research funding (see below). More than 50% receive contract R&D and/or training and consultancy funding from public and/or private sources, including regional innovation and development agencies and (crucially) service sectors of the economy in which the HEI is active as a player in education and training. (Between 2007 and 2017 there was a significant reduction in the proportion of private and public sector¹⁷ training and R&D resources spent in house – this has been the major new source of income for the HEIs.)

One interesting new development has been the launching of effective alumni associations and professional fund raising campaigns by a number of small prestigious universities. While it is too early to tell what degree of success will be achieved, there is far more talk and far more action in the area of donations and endowments for universities than there has ever been in Europe.

Research

On average Europe's expenditure on research, technological development and innovation comfortably exceeds the 3% of GDP target set two decades ago. This can be partially explained by rising private sector expenditures (often contracted to higher education institutions) and partly because Europe's shifting socio-economic priorities and its changing markets for goods and services have broadened the range of fields where these resources are spent. Innovation in particular is highly valued and is no longer a wholly owned subsidiary of the science and technology disciplines. Many of HE's major research role models are not Nobel prize winners but innovators, and the programmes they contribute to are some of the most selective in Europe.

As was indicated earlier fully half of Europe's higher education institutions receive significant 'third stream' applied R&D funding and the sector is now responsible for much of the R&D activity previously undertaken by government, business and industry themselves. These developments have had a major impact on the 'applied research landscape' and on the mix of activities within the higher education sector.

Research and (research) PhD funding is highly selective at the European level – some 35% of Europe's total public basic and strategic research funds are distributed by the European Research Council and at the national level (where national research councils have developed innovative ways to enhance national capacity and priorities in a context of competitive Europe-wide tendering). While each nation state possesses at least one research 'flagship' there is no doubt that a substantial research function is now the preserve of the few, and that the few are not evenly distributed across Europe – the Western and Northern European universities house most of Europe's leading research centres. 'Big science' is increasingly undertaken by cross-national tailor-made consortia that draw on top university based researchers and their counterparts from the

¹⁷ Government ministries, public service sectors and state research institutes.

public and private sectors. Despite a number of expensive ERC programmes to encourage European research networks, the self-perception and scientific practice of Europe's leading centres continues to be unashamedly international. Exclusive European networks are seldom those at the cutting edge.

Most national ministries have introduced targeted funding to help train, recruit and secure the next generations of university based researchers – but these are now recognised to constitute only a small proportion of the nation's 'academic profession'. The modal 'academic' is an expert in a particular field: a skilled teacher, entrepreneurial in outlook, a talented team member in joint projects with external stakeholders, not active in fundamental research and does not wish to be.¹⁸

In retrospect it is clear that the research agenda of the past two decades has increasingly been developed in consultation with external stakeholders (who fund most of it). This has meant that research fields not relevant for business and industry are weaker than they were in 2005 although once again Europe's changed socio-economic priorities have meant that business and industry's own interests are far broader than they were.

Higher Education Leadership and Management

European higher education institutions operate in an environment far less stable than that of only a few decades ago. They enjoy more independence from government. Student selection, determining tuition fee levels, setting staff salary policies and deciding independently which programmes to offer are all now routine aspects of the inner business life of universities. The range of strategic choice and possible activities to focus on has broadened. Levels of competition for students, staff and contracts have increased fairly dramatically. More liberal operating regulations entail greater financial autonomy, wider opportunities and deeper risks. Flexibility and responsiveness are expected by a wider range of stakeholders.

The typical higher education institution is managed in a business-like way, stressing efficiency and productivity. Methods of strategic, financial and human resource management are by and large similar to those encountered in the private sector. Higher education management in general and its 'sub-disciplines' in particular¹⁹ have developed into recognisable professional careers. This professionalisation is evidenced

¹⁸ Many were liberated from the burden of unfulfilled research expectations by the major changes in HRM and salary policies that swept across the European higher education space in 2008 and 2009. Academic salaries continue to differ vastly across countries, but within countries a wider range of performance areas are rewarded. More and more staff see themselves primarily as members of the teaching profession – long holidays with no associated research requirement are attractive. Part-time studies by HEI staff in androgogics and project acquisition are both growth areas.

¹⁹ The European Association of Higher Education Managers has thirty professional tracks at its annual conferences grouped into twelve major fields: academic management, research management, HRM, marketing and corporate communications, scholarships and student recruitment, assets and real estate, law and contracts, governmental relations and lobbying, strategic planning and risk management, student life and Brussels scouts.

by the fact that it is common practice for institutional executives and managers to move from one institution to another over the course of their careers. There is an extensive range of educational programmes to prepare higher educational managers and to enhance their skills. Moreover, executives and managers are well paid (at least in higher education terms). As always there are distinct national flavours and differences relating to the nature of the institutional mission. Regional education, training and consultancy-focused institutions are more likely to have a chief executive drawn from outside the HE sector (there is far greater job movement in and out of higher education) while leading research institutions tend to have presidents with a traditional academic background but supported by highly professional management teams.

After a period at the end of the last century when the higher education sector seemed gripped by merger fever some spectacular failures of mega-institutions around 2010 have noticeably dampened enthusiasm for mergers and amalgamations. If big was once beautiful, European higher education in 2020 has real doubts about the manoeuvrability of university super tankers (let alone fleets of them) and many of the most successful institutions are small and specialised.

Postscript: on the Loss of a Sector

Like our imaginary *Vitis Vinifera*,²⁰ European higher education 2020 has a coherence problem. It feels less and less like a sector and more and more like a loose collection of institutions with a shared common denominator no more significant than having one or more of the words teaching, learning, research and development in their mission statements. In terms of governance and of the big interrelations of state, market and academia this is more than a feeling. Sector-wide organisations are struggling to deal with higher educational diversity, Rectors Conferences are ridden by factionalism and competing interests, European consortia and clubs of similarly visioned institutions have proliferated, (a) higher education policy is becoming a contradiction in terms and the would-be developers of the European Carnegie classification have gone into early retirement muttering that some things are just unclassifiable.

By 2030 historians will have demonstrated that the loss of sectoral coherence was a trend with origins extending way into the previous century when Europe took its first faltering steps down the road from elite to mass higher education. A seminal work by CHEPPS on the occasion of its 50th anniversary will conclude that the alternative scenario – a harmonised, homogenised higher education system with near universal access – would have been, like wooded chardonnay for all in a Europe rich in terroir, a future too ghastly to contemplate.

²⁰ This is the botanical name for the vine species, native to Europe and Central Asia, from which all of the world's finest wines are made - including those of California and Australia. (Admittedly it had some help from *Vitis Labrusca*, the American vine, whose resistant rootstocks enabled Europe's vines to recover from the phylloxera epidemic at the end of the 19th century.)