

# Beyond Policy: Innovative Universities as an Instrument of Higher Education Transformation

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Innovative universities often receive favorable attention from practitioners and scholars, as they remind us that academic institutions can be imaginative. Over and above that, innovative higher education institutions complement policy reforms by diversifying, upgrading, and potentially redefining the university as such. Nevertheless, their role in higher education development remains underexplored.

It is possible to disagree about the number of crises higher education is facing and whether the sector is in any crisis at all, but it is hard to deny that higher education systems must keep evolving to serve changing societies.

Evolution in higher education happens in two ways. The default pathway is higher education reforms. However, top-down policy is by nature a blunt tool: planning for the whole system is hard, and institutional resistance adds to implementation risks. The second (complementary) pathway is horizontal innovation spread, whereby universities adopt peer practices because they choose to.

Innovative universities, as testbeds for new solutions, are particularly well-positioned for such diffusion. Yet their transformational potential is rarely recognized. This article defines higher education innovations, discusses how innovative universities use them to improve systems, and offers suggestions for supporting these institutions in doing so.

## What Innovation Is and What It Is Not

A lack of agreement on what an innovation is often holds this conversation back. In order for a practice or model to be considered an innovation, one useful criterion is that it must successfully address a salient issue with an approach previously untested in its context that can be scaled to other institutions. An innovative practice therefore does not need to be original, radical, or even new.

In the US, for example, where a long-standing issue is affordability, Berea College's 100-year-old student labor program that offsets tuition fees can still be considered innovative. At the same time, several new projects have recently emerged to experiment with funding and cost. NewU University, founded in 2019, offers a low-cost three-year bachelor degree through creative optimization and extended semester durations. Polymath University is shifting the role of a paying customer from students to employers, targeting a 2028 launch.

In Central Asia, a persistent problem besides quality is access. The University of Central Asia was founded in 2000 through an international charter signed by the three Central Asian governments and the Aga Khan Development Network. Its innovation lies in targeted recruitment and support for students from mountainous communities. InVision University, which recently opened as a private-public partnership, seeks to empower students from a wide range of underserved backgrounds by combining additional support with a community-based entrepreneurship focus.

Multiple European countries, especially in Eastern and Central Europe, are experiencing a decline in student enrollment. Meanwhile, further education is increasingly relevant. The University for Continuing Education Krems, founded in 1994 in Austria, is a research university that develops its degree programs exclusively for working professionals with an average age of 39. Although the university was not designed solely with demographics in mind, it has come to represent a strong response to the demographic challenge, with almost 10,000 students from 100 countries.

This issue-based heuristic can help predict spread and future experiments. If there is a recognized systemic problem and a particular institution embodies a solution, then that institution might become a benchmark. Moreover, new models will continue to appear until the issue is resolved.

## Functions of Innovative Universities

An extension of innovation within an institution is innovation at the institutional level. Innovative universities differ from simply creative, "innovating" institutions in that they not only introduce innovative practices but also make those practices a constitutive element of their models. Furthermore, they view solving a systemic problem in higher education as part of their *raison d'être*.

As such, innovative higher education institutions can perform three functions in higher education systems. The first is diversification. For instance, the Asian University for Women

(AUW) in Bangladesh provides liberal arts education primarily to female learners from underserved communities. These students range from women belonging to poor socioeconomic groups, such as daughters of microfinance borrowers, to displaced people. In doing so, AUW diversifies regional higher education in at least three ways: by providing liberal arts education, by focusing on female leadership, and by targeting students who would not otherwise receive higher education. By adding to institutional diversity, innovative universities often increase a system's capacity to serve different stakeholders.

The second function is a system upgrade. For example, problem-based and project-based learning-driven universities, such as McMaster University (Canada), Maastricht University (The Netherlands), and Aalborg University (Denmark), actively share their practices. Problem- and project-based designs have now spread so widely that they have become commonplace.

Finally, an innovative university can rewrite how we understand the university as such. The University of Berlin is the most famous precedent. Founded in 1810 to help Prussia gain a competitive edge, it introduced several innovations, including integrating teaching and research in a classroom and offering a single-discipline focus for academic careers. This model held wide geographic appeal, from the US to the Ottoman and Japanese Empires.

These three functions generate chances for reinvention. While not every higher education system needs immediate updating, a built-in mechanism for innovation helps systems adapt when needed.

## Recognition and Support

There are several hundred innovative universities worldwide, some of which are long-standing. For instance, Maastricht University has expanded its innovative portfolio far beyond problem-based learning to include interdisciplinary education, the International Classroom, the Green Office, and more; these initiatives have inspired change across the world, with impacts traceable in projects from Europe to the Asia-Pacific. As institutions often eventually cease innovating, serial innovators are particularly valuable members of higher education systems.

The number of new innovative universities is also growing, with several known cases beginning operations in 2026 alone. The majority of institutions in this ongoing wave are private; their founders frequently come from outside academia. This is both an auspicious development—private institutions tend to be more agile and apt to question established norms—and a risk, as private ownership could stand in the way of serving the public good. Private universities are usually more vulnerable to changes in funding and regulatory scrutiny as well.

Both innovating and innovative institutions require recognition and support. Lack of visibility and standardization seem to be among the largest hurdles.

Innovative university communities do not always realize they have something worth sharing, nor are others consistently aware of what is being done elsewhere. International higher education needs case galleries; toolkits with transfer tips; and interviews with sponsors, founders, and leaders to highlight the efforts being made. Innovative universities can also fail, and exchanging ideas can improve the survival rate.

As for standardization and other restrictive regulations, simply forgoing them might not be the best immediate strategy in systems where quality is an issue. Regulatory sandboxes—granting greater freedoms to select institutions, as practiced in academic excellence initiatives in India, Germany, and China (among others)—could serve as a preliminary stage. Systemwide experiments with increased institutional autonomy should follow sandboxing, though; if not, an original institution will diversify the system but will be unable to spread its practices due to uneven freedoms.

These mechanisms are not exhaustive. Horizontal innovation spread occurs when policies are either permissive or supportive, university conditions are similar enough for practices to be replicated, and issues are recognized and openly discussed in the system. Simply acknowledging the role and value of innovative universities is already a good step toward overcoming higher education crises, regardless of whether these crises are real or perceived.

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