

ment activities are also encouraged to establish a base in the country and to collaborate with foreign and local universities and training companies to create a critical mass of talent and expertise. The primary objectives are to help build a knowledge- and service-based economy, to educate and train skilled labor, to attract foreign direct investment, and to increase regional economic competitiveness. Collaboration among the key players—foreign and local industries, research centers, education institutions, and companies—is a key factor to building a knowledge and innovation hub.

PROGRESSIVE DEVELOPMENT OR QUANTUM LEAP

A preliminary look at their stated rationales and planned or existing activities shows that the majority of the seven countries (Qatar is the exception) make the recruitment of international students a central feature of their efforts. Ambitious targets, and in some countries major policy changes, are in place to drive the process of becoming a regional student hub. Four countries—United Arab Emirates, Qatar, Malaysia, and Singapore—have attracted a substantial number of foreign universities or companies to provide increased access to education and training for local and international students.

The primary objectives are to help build a knowledge- and service-based economy, to educate and train skilled labor, to attract foreign direct investment, and to increase regional economic competitiveness.

But this line of thinking presumes a progressive growth from student hub to education and training hub to knowledge and innovation hub; this may be a limited view or incorrect assumption. Is it possible to leap frog from a student hub to a knowledge hub, or is it feasible to start from the get-go as a knowledge and innovation hub? From an education perspective, it is safe to say that no countries currently function as a knowledge hub, although perhaps an economist or trade specialist would have a different view.

Regional education hubs are important new developments, but are they just a fad? Are they more rhetoric than reality? Probably not, but to make education hubs achieve their goals and be sustainable requires substantial planning; policy preparedness; physical, technological, and human infrastructure; and investment by the sponsoring countries. *Education hub* should not be merely a self-subscribed label used to achieve economic or geopolitical advantage in the region. With too much at stake, further work is needed in analyzing this complex and important new development in cross-border education. ■

UK University Governance Under Stress

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University governance provides the essential framework within which teaching and research take place. In the United Kingdom, with its historic tradition of university self-government, governance issues have mostly been concentrated around questions of internal academic and student representation in decision taking. However, with an expending system that consumes an increasing level of state resources, the growing interest of the state in universities' economic contribution and in institutional financial accountability has led to a parallel growth in state interest in university governance processes. Nevertheless, university governance has rarely attracted much public or media attention. The technical (though important) differences between the traditional constitutions of the pre-1992 universities with their commitment to "shared" governance between the council (the governing body) and the senate and the dominance of the board (the governing body) and the chief executive (the vice-chancellor) in the post-1992 constitutions have been obscured by the increasing tendency of the pre-1992 universities. The pre-1992 universities have followed the lead of the post-1992 in adopting a more managerial style—appointing rather than electing deans and giving them executive powers and devolved budgets, appointing full-time pro-vice-chancellors with line-management responsibilities, creating senior management teams to run the university—so that to the external eye the two types of constitution seem to be moving in the same direction.

STRENGTHENING LAY GOVERNANCE

This movement has been coincident with the emergence of the Committee of University Chairmen (CUC) (of governing bodies) as a significant force in university governance. First established in 1987 toward making university chairs better informed about university business and as a potentially powerful lobby over funding issues in relation to a Tory government, the CUC was drawn into offering advice on university governance in the mid-1990s. The evidence of governance malpractice, mainly at governing body level, was revealed in a small number of post-1992 universities and colleges. Successive governments, Tory and Labour, have encouraged the view that lay governance is likely to render greater accountability than academic self-governance and may be more sympathetic to an

economic view of higher education than university senates. The CUC has developed its interests from simply guidance on governance to a focus, based on reviews of the conduct of governing body effectiveness, on how to appoint and remunerate vice-chancellors, on key performance indicators for institutions, and on the introduction of performance monitoring approaches. The cumulative impact has resulted in strengthening the role of lay governance and—taken together with the rise of senior management teams—weakening the role of senates, particularly in strategic decision making.

SMALLER GOVERNING BODIES

Three developments have served to underline the shift in constitutional power. The first has been a long-running concern in some quarters about the appropriate size of the governing body for decision-making purposes. Historically, the pre-1992 universities had comparatively large governing bodies of up to 45 or so members, one-third of whom were academics elected by the senate. Those universities relied heavily on decision making through committee structures, while the polytechnics had governing bodies of between 24 and 12 members, only two of whom were academics normally elected on an institution-wide franchise (and therefore on an academic trades union ticket). This constitution continued when the polytechnics became universities.

Successive governments, Tory and Labour, have encouraged the view that lay governance is likely to render greater accountability than academic self-governance.

The 1997 National Committee of Inquiry into Higher Education (the Dearing Committee) was sympathetic to the more robust approach of the post-1992 governing bodies and elevated the figure of 24 members to a principle that it recommended the pre-1992 universities should fall into line with. After protracted discussions and the jettisoning of representation from local government communities, most universities reduced their membership to a little over 30. Yet, pressure has continued with a requirement that universities should justify exceeding the figure of 24 in a statement in their accounts, and many pre-1992 universities have consciously moved to this position. Implicitly, what might otherwise seem to be an arcane issue concerns decision-making processes—is the business of governing bodies mostly conducted through committees where academic “experts,” for example, might be expected to be influential, or is it conducted via a full-governing body where lay influence, guided by a chief executive, might be expected to be greater? All this is given greater point by a decision by government that the minimum membership of 12 should be removed so that governing bodies might become even smaller and by implication operate more like company

boards without any academic or student representation. A number of universities, including at least one pre-1992 university, are known to be actively considering this model.

This trend in governance potentially also reflects a shift in the relationship between the vice-chancellor and the governing body, particularly with the chair of the governing body.

RELATIONS BETWEEN VICE-CHANCELLORS AND GOVERNING BODIES

This trend in governance potentially also reflects a shift in the relationship between the vice-chancellor and the governing body, particularly with the chair of the governing body. In the pre-1992 universities the vice-chancellor, as chair of the senate, would previously have had the role of presenting the senate's strategic recommendations to the governing body. Now, facing perhaps a self-confident and invigorated governing body, reinforced by accountability requirements laid down by the government, and with his/her performance monitored through appraisal and the governing body's power to determine his/her salary, a vice-chancellor could be much more the servant of the board, subordinate to its wishes, rather than its leader. This change in the balance of relationship in some universities has been emphasized by a spate of sudden departures of vice-chancellors from their posts: within the last year there has been an abrupt parting of ways at seven universities (both pre- and post-1992 institutions). Most surprisingly, five have been within a year of appointment, suggesting that either the governing bodies (and their head hunters) were at fault in the initial selection or that for whatever reason the relationship between the chair and the vice-chancellor proved to be incompatible. Such events are institutionally destabilizing; but it becomes a matter of wider concern when they occur at Imperial College, one of the United Kingdom's premier scientific universities.

GOVERNANCE, FINANCIAL ACCOUNTABILITY, AND ACADEMIC PERFORMANCE

The third development has involved one of these seven universities, London Metropolitan University—a large-access-orientated university formed by the merger of two former polytechnics. Here, the university management had submitted incorrect student data to the Higher Education Funding Council, thus inflating its student numbers and its entitlement to recurrent grant. The funding council held the vice-chancellor and the governing body, through its audit committee, responsible. The governing body's statement of full confidence in its vice-chancellor was met with a demand for his removal, the immediate dismissal of the audit committee, and ultimately, the standing down of the board. Not surprisingly, the funding

council's demands have been met—after all, the most serious evidence of mismanagement since the Cardiff affair in 1987, when a university teetered on the edge of bankruptcy.

What is surprising, however, especially after the run of vice-chancellorial departures referred to above, is that the funding council has now issued for consultation a revision of the Financial Memorandum (the financial contract between each university and the funding council), giving the funding council the right to intervene directly to require a governing body either to remove its accounting-officer responsibilities from its chief executive or to remove its chief executive. Clearly provoked by the London Metropolitan case, the proposed change raises in acute form questions about university autonomy and the funding council's confidence in governing bodies, whose authority the council has in recent years been so anxious to reinforce. It must be likely that consultation will lead to some amendment, but the incident serves to illustrate a new fragility in top governance structures in universities.

In contrast to the turbulence described above, it is necessary to report that Oxford saw off the attempt by its then vice-chancellor, aided and abetted by the funding council, to impose a lay majority on its council; and Congregation, its academic parliament, remains its governing body. Both Oxford and Cambridge retain minimal lay representation in their governance but remain the two highest-ranked universities in the UK system and undeniably world-class institutions. This might suggest that while good governance is important to any university the precise forms of governance are less important than getting the academic fundamentals right. ■

Good-bye to the Celtic Tiger?

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Ireland's historic transformation from a country dependent on agriculture and traditional manufacturing to one increasingly based on hi-tech and internationally traded services is the stuff of legend. By 2007, the services sector accounted for 64 percent of the gross domestic product (GDP), while industry accounted for 33 percent and agriculture just 3 percent. Termed the “Celtic Tiger” after similar transformations in Asia, the Irish experience was remarkable to both observers and participants. Tax revenue surged, enabling massive investment in public services and infrastructure. In 2006, the government surplus was 3 percent of GDP.

By 2009, all had changed utterly. The property bubble of recent years was exacerbated by incentives, a narrow tax base, and irregular practices in the banking sector. When the economy faltered, tax revenues and consumer confidence collapsed, exposing a massive public-sector deficit. GDP declined by 9.8 percent during the first six months of 2009 and is estimated to fall by 14 percent by year-end. Government borrowing is likely to rise to 13.6 percent of GDP in 2010, with unemployment at over 15 percent.

Higher education was a beneficiary of the boom and is now a potential casualty of the politically charged and financially challenging environment.

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2009 REVIEW OF IRISH HIGHER EDUCATION

The idea of a review of higher education surfaced in 2007. The aim was to go beyond the 2004 Organization for Economic Cooperation and Development (OECD) report on *Higher Education in Ireland*, which had arguably been overtaken by the quickening pace of globalization. Announced in February 2009, the review has been tasked with assessing higher education's fitness-for-purpose, developing a vision and national policy objectives, and identifying “focused targets” for the next five years. It has been asked to consider the number and roles of institutions, governance and accountability, level of resources, and potential for greater efficiency “having particular regard to the difficult budgetary and economic climate that is in prospect in the medium term.”

The state of the economy has introduced urgency into the process. Rather than an 18-month process involving considerable consultation, the final report is now due by December. The review is certainly timely; indeed, Ireland is probably late in tackling many issues. Even if the economy had not nosedived, the system faces many challenges—inter alia, a binary system constrained by historical circumstances and unresponsive to changing national and global requirements, low levels of internationalization, and weak governance and strategic leadership. At the same time, at the European level, increasing competition, rankings, and the possible emergence of a super-league of universities could be unfavorable to Ireland's small research community.

CHALLENGES

A big challenge involves the system level. Some observers have viewed the challenge in terms of how many Irish universities are globally ranked according to Shanghai Jiao Tong or *Times Higher Education*/QS. But Ireland is unlikely to adopt the German, Chinese, or Japanese strategy of concentrating