

# Competition and cooperation in higher education:

## objectives and models

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**FH-Osnabrück**      8 M · a · r · c · h      2 · 0 · 0 · 7



## Outline of this presentation

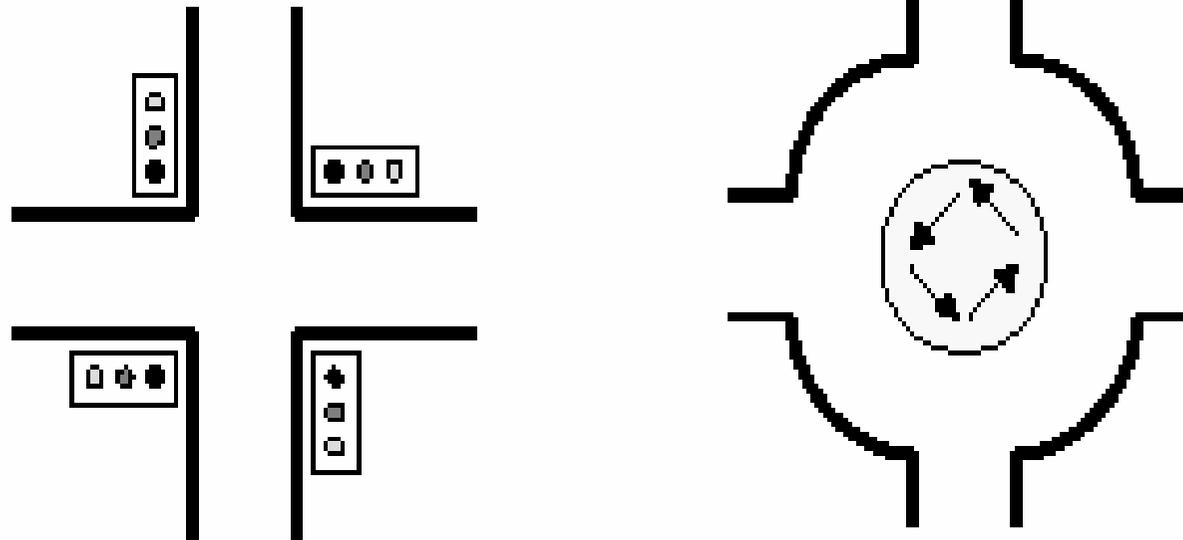
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1. **R**ole of the state & HE markets  
→ competition and cooperation
2. **F**orms of cooperation:
  - Mergers
  - Federation
  - Strategic alliances / consortia
  - Specific cooperation
3. **I**nternationalisation: a specific area



# The evolving role of the state: New modes of coordination

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From central planning to decentralised decision-making



## Higher education markets: competition

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**P**ublic versus private benefits: reduce role of government

**S**timulate efficiency and output:

customers: tuition fees, vouchers, critical choice

producers: output orientation, value for money

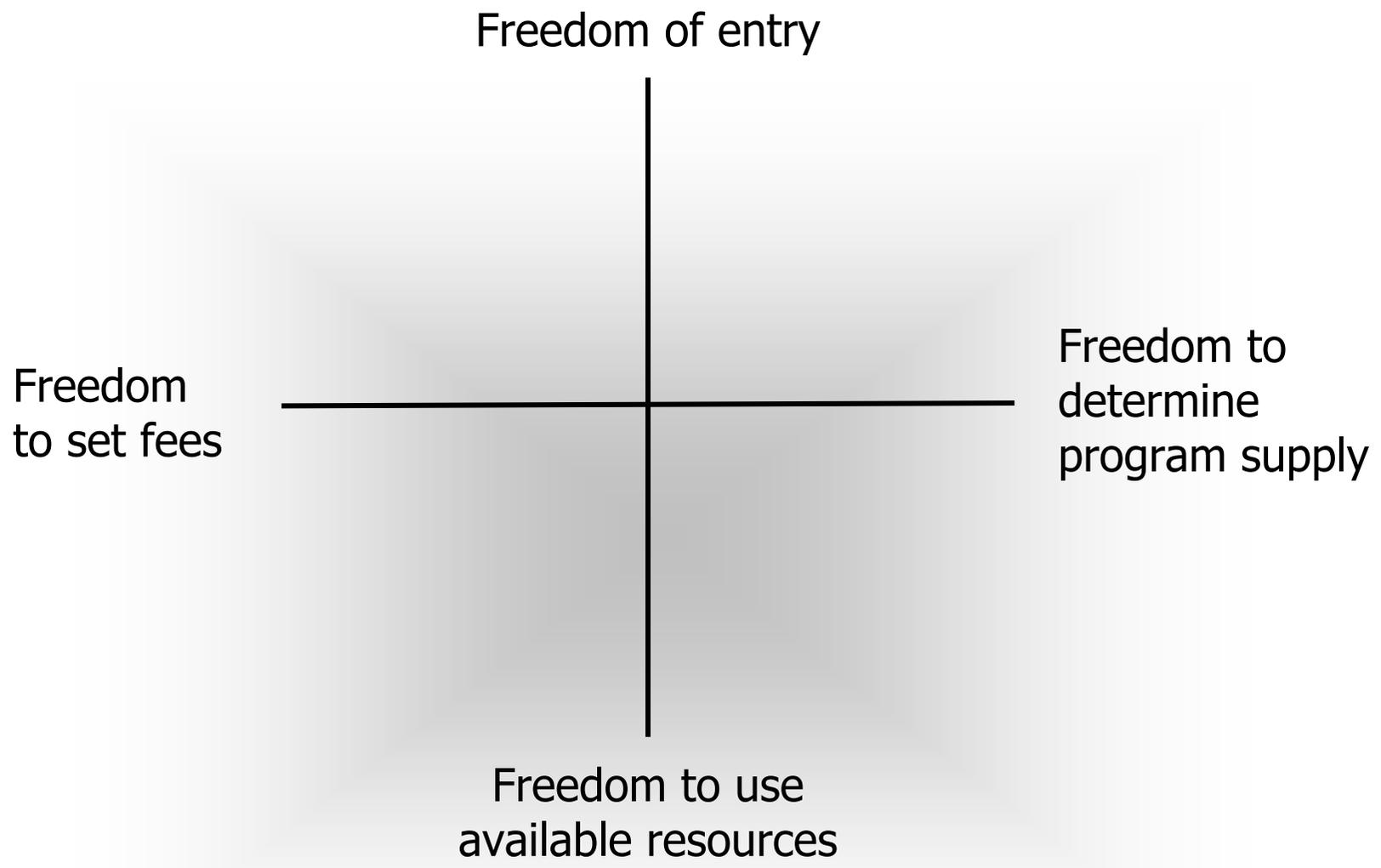
**Q**uality of services

**C**ompetition where possible, regulation where necessary

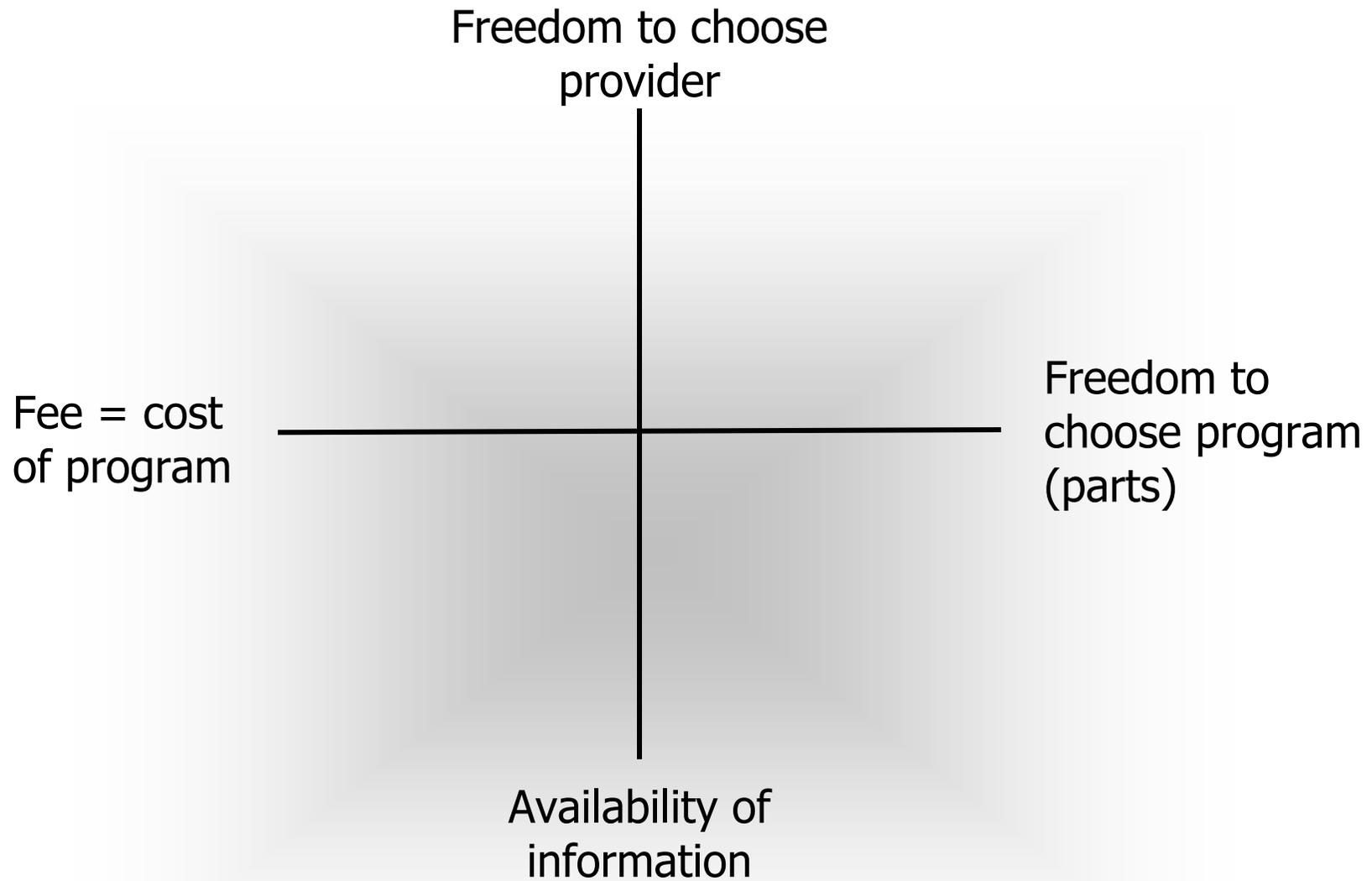
**E**xtent of market mechanisms determines level of competition, but also need for cooperation



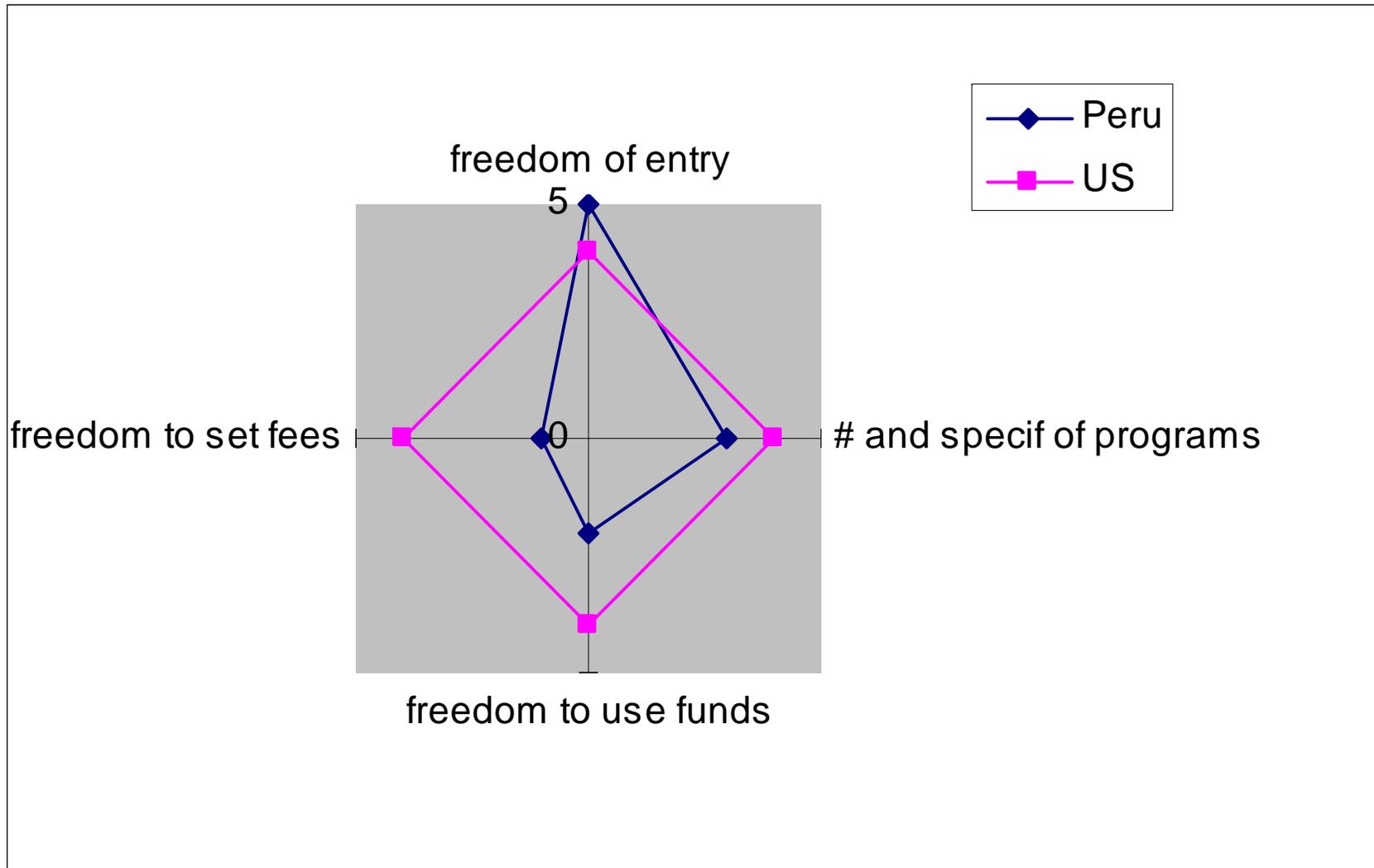
# Market conditions: producer sovereignty



# Market conditions: consumer sovereignty



# Example



## From competition to cooperation

Competitive strategies can include cooperation

- become larger and viable institutions or faculties
- form a monopoly
- offer diversity of opportunities for students (and researchers)
- create mass and excellence
- stand international competition
- build a stronger profile
- ...



## Forms of Cooperation

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Specific cooperation      Consortia      Federation      Merger



## Forms of Cooperation: Specific cooperation

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### Small scale cooperation

- faculty based or unit based
- often bilateral and fully voluntary
- joint study programmes, joint degrees / double degrees
- devision of (specialised) labour in delivering particular programmes

### Research consortia

- international competitive power
- create focus and mass

### Advantages: flexibility

### Disadvantages: no regulations and central facilities



## Forms of Cooperation: Strategic alliances / consortia

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### C

#### Close cooperation agreements

- partnerships: formal organisation with budget, and staff
- function centered: lobbying, profile building
- create easy transition/exchange opportunities for students and researchers
- create a wider range of study paths

### I

#### International consortia / partnerships

- international profile and opportunities (ECIU, EUA, IAU, ...)
- international partner institutions: double and joint degrees



## Forms of Cooperation: Federation

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**E**ach institution remains autonomous (Oxford, Cambridge)

- own degrees, own budget
- own faculty and staff arrangements

**M**anagerial cooperation:

- some central facilities and administrative processes

**I**nstitutional profile and students' opportunities

- mutual student exchange
- programme diversity at low costs

**P**roblems

- academic freedom
- minimum standards in terms of quality & financial viability (internal reallocation?)
- harmonisation of fees (otherwise confusing to students)



## Forms of Cooperation: Mergers (full integration)

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### System reforms: macro efficiency

- Australia, Netherlands and Norway

### Objectives of mergers

- increase efficiency and effectiveness in period of student growth
- create viable institutions and programmes
- widen student access and equity
- diversify programme offerings to cater for student diversity
- increase government control

### Voluntary mergers

- Become bigger player, create more study opportunities
- Create managerial / administrative efficiency
- University plus non-university (easier transitions for students)

### Competition!



# Mergers: effects

## (Australia, Netherlands, Norway)

### A

## Advantages of mergers

- More competent administration
- Improved professional leadership
- Improved institutional visibility (profile and status)
- Stronger political influence
- Higher efficiency: only in the long run (facilities at central level)
- More autonomy, central steering capacity, mass, focus & innovative power
- Better study transitions for students (bridging courses)
- Better risk management

### D

## Disadvantages of mergers

- Cultural conflicts between staff and departments
- Reduced identity & social cohesion / less influence of staff and students
- Larger gap between management and shop floor
- Bureaucratisation
- Less institutional choice for students (monopolies)
- In the beginning focus on management rather than teaching and research
- number of locations and class scale remain similar



# Internationalisation: A specific case

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## Competition

- new student markets
- fee paying students (offshore education)
- international reputation
- internationalisation at home (profiling)
- branch campuses
- research partners to apply for international funds

## Cooperation

- international partners for student exchange or joint teaching efforts  
building trust & commitment
- international profiling / branding (DAAD, BC, ...)



## Conclusion

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### Competition and cooperation are closely connected

- many forms of competition
- many forms of cooperation
- cooperation often required for competition
- beware that both can distract you from core business

### Advantages and disadvantages of both

- set your own goals and instruments

### A framework does not cover all in depth examples



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Thank you for  
your attention !



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