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THE EMERGENT ROLE OF EXTERNAL STAKEHOLDERS IN EUROPEAN HIGHER EDUCATION GOVERNANCE

1. INTRODUCTION

Over the last few decades, higher education institutions have been confronted with increasing outside pressures aimed at institutional change. The conceptual frameworks that are used to envision, and to a certain extent legitimise, change are increasingly influenced by organisational sciences and theories. In this type of approach, concepts such as ‘adaptiveness’, ‘environmental awareness’, ‘responsiveness’, etc., become central, both as analytical devices and as values to be pursued.

The combined use of these concepts both as analytical devices and as guiding or legitimating values presents some danger to the institutions and needs to be critically debated. Interpretations and decisions inspired by concepts that are legitimated as guiding principles simply because of their analytical use by organisational theorists are often problematic and should be critically analysed. For instance, the concept of adaptation, inspired by organisational theory, cannot simply be applied to the field of higher education without addressing important questions concerning institutional identity. The assumption that responsiveness to environmental changes and needs should be the key criteria for decision-making and institutional performance has important consequences for higher education that need to be considered.

The same comments are true in terms of the increasing importance given to the concept of ‘relevance’ in higher education. Representatives of the business sector and government argue that institutions of higher education make an important contribution to national wealth production and to the performance of the nation in the global economy. This discourse of economic legitimisation also seems to be anchored on adaptive values and dynamics. Again, care must be taken in critically analysing the assumptions that underscore this perspective, for higher education cannot be reduced to its functional role with regard to the economy.

This critical exercise is made more urgent because of the emergence of the ‘market’ as a new ideological competitor whose presence erodes the space for the traditional liberal-humanist discourse that provided the foundation for the development of the modern university.

The objective of this article is to contribute to this discussion by focusing on the concept of ‘stakeholder’. The concept of ‘stakeholder’ was popularised by management theory, mainly following the publication of Freeman’s book Strategic
Management: a Stakeholder Approach. In this book, he defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organisations objectives” (Freeman 1984: 46). We use a similar, broad definition, in the sense of a person or entity with a legitimate interest in higher education and which, as such, acquires the right to intervene. Examples of stakeholders in higher education are academics, students, parents, employers, the state, the higher education institutions themselves (in their relationship with the system), etc.

We define two categories of stakeholders, internal and external, the former being members of the academic community and the latter coming from outside the university. The concept of (external) stakeholder refers to the presence of representatives of the interests of the ‘outside world’ in university governance. Their presence is justified by assuming that it is both legitimate (in that those who they represent have a ‘legitimate’ interest in the social, economic and cultural function of the institution) and useful (in that they enhance the institutions’ innovation and responsiveness to the ‘real’ needs of society).

External stakeholders are assuming a growing prominence relative to internal stakeholders in the rhetoric of change, and their presence is designed to make higher education institutions more responsive to environmental needs and changes. In this chapter we will analyse the case of Portugal and several examples from other European higher education systems in order make some observations on the effectiveness of this new role for external stakeholders in university governance.

Finally, it is important to stress that while we refer to history, our approach is not ‘historical’ but rather paradigmatic. What we intend to analyse by studying the emergence of the concept of ‘stakeholder’ in the higher education literature is not the particular links that universities and other higher education institutions have built and developed with industry, commerce and the ‘outside’ world in general. Our focus, instead, is on the legitimating discourses, and our aim is to identify changes in the way higher education itself is being conceptualised. In this we closely follow Björn Wittrock (1993: 323) who argues that an analytical approach cannot be replaced by “a broad functional-evolutionary account, nor a minute historical account of the peculiarities of individual institutions in different countries and contexts.”

2. THE MODERN UNIVERSITY AND THE CONSOLIDATION OF THE NATION STATE

The development of the modern university can be placed at the end of the XVIIIth and the beginning of the XIXth centuries, and it is closely associated with the reforms of von Humboldt in Prussia and of Napoleon in France. The modern university was a fundamental instrument for the construction and reinforcement of the nation-state, being assumed as “an agent of national reconstruction, allied with the overhaul of recruitment to the apparatus of state” (Neave and Van Vught 1994: 268). Besides providing the state bureaucracy with qualified manpower, higher education institutions were supposed to socialise students to become model and