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Angaben zur Veröffentlichung / Publication details:

Audretsch, David B., Erik E. Lehmann, and Jonah M. Otto. 2022. "The emergence of the global university." In *New Visions for Higher Education towards 2030: UNESCO 2022 World Higher Education Conference, 18 - 20 May 2022, Barcelona, Spain*, edited by Marta Cayetano, Cristina García, Victoria Gómez, Marina Sampayo, and Josep M. Vilalta, 192–99. Barcelona: GUNi. https://www.guninetwork.org/wp-content/uploads/2023/07/guni_heiw_8_complete_-_new_visions_for_higher_education_towards_2030_1.pdf.

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The Emergence of the Global University

David B. Audretsch, Erik E. Lehmann & Jonah M. Otto

Abstract

This paper explains the constituents of the Global University, what differentiates it from its predecessor, the reasons for its emergence and why it is likely that global universities will acquire competitive advantages in the future. The global university represents a sharp departure from the conventional Humboldt university model in that the source of value is not dictated by traditional academic disciplines or “knowledge for its own sake”, but rather, as has been the case for the entrepreneurial university run by a broad range of external stakeholders. However, these stakeholders have an increasingly global perspective, in which students, faculty, research and societal impact are not geographically bounded by city, regional or national borders.

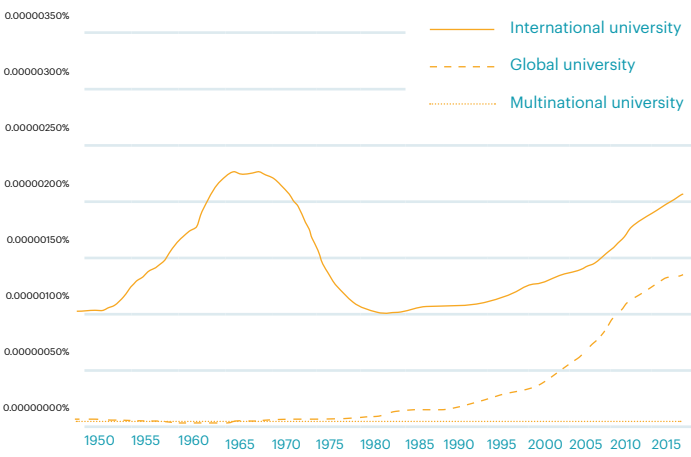
Commodified education, research and societal impact will rarely be able to compete in the globalised market for higher education services/products. Instead, the competitive advantage for the Global University emerges in services and products that resist commodification, in that they are firstly based on authentic relationships. This paper provides relevant examples of best practices for globalising teaching, research and social impact. The paper concludes that the successful Global Universities of tomorrow will prioritise authentic relationships to provide unique and compelling value to global stakeholders.

Introduction: Defining the Global University and its Mission

In the past decade, there has been a trend to label universities acting beyond their national borders as ‘global universities’. Since the fall of the Soviet Union, large swaths of the world have become truly global for the first time – global, in the sense that these interactions and markets have become globally connected and interrelated. Since their emergence in the 11th century, universities have been part of the internationalisation

and globalisation of the world. While internationalisation has become a major strategic focus of universities in recent decades, particularly in Anglo-Saxon countries, global universities have become a pervasive phenomenon in recent years, see the attention from media, academia and policymakers around the globe (Figure 1). Although the term ‘international university’ has been popular since the 1960s, the term ‘global university’ has entered media nomenclature mainly in the new millennium.

Figure 1: Mentions of Key University Descriptors in Mass Media



Source: Author’s own depiction of self-collected data, using Google Books N-gram Viewer (July 2021)

There has been extensive debate in higher education literature attempting to delineate the scope of the term ‘global university’, in contrast to other previously mentioned identifiers such as ‘international’ and ‘multinational’. Some scholars have tied the definition to notions of citizenship, arguing that universities that belong within a particular nation, as technically determined by their charter, cannot claim to be global universities since they do not officially represent the entire world (Ayoubi, 2019). This reasoning then argues that a vast majority of universities are either multinational, international or national universities, depending on their locational classification in their charters as well as

their student, staff and curricular composition (Ayoubi, 2019). Others take a much broader view, claiming that a global university is an institution that operates within a globalised marketplace for students, researchers and knowledge through many of the modern strategies and operations of university internationalisation (Wildavsky, 2012). Following in this vein, McGillivray et al. provided a nuanced definition at the Global University Symposium in 2010:

“A global university pays attention to the trends in economics, science, technology and the movement of goods and people and capital across transnational borders. The institutions that take steps to capture those opportunities are, in my view, global institutions (McGillivray et al., 2010).”

This paper incorporates and builds upon these findings, aiming to explore the inner workings and motivations of the global university as a model for university mission achievement (de Wit, 2015). The aforementioned positions of Wildavsky (2012) and McGillivray et al. (2010), the theoretical works of de Wit (2000; 2002), Knight (2004) and Altbach and Knight (2007) establishing the origins and motivations of international higher education to improve university performance and the interpretation of entrepreneurial university studies summarised in Otto et al. (2021), all contribute to this work’s understanding of the emergence of the modern global university. The present study moves beyond the rise of the global university to also determine what the global university manifests and how it displays it, thus accounting for the aforementioned curricular, student, staff and citizenship stances of Ayoubi (2019) and Beelen and Jones (2015), as well as Hudzik’s theoretical work connecting internationalisation to all university functions (2011; 2015) and also the best practices for sustainable university international partnerships established by Sandström and Weimer (2016) and Hoseth and Thampapillai (2018).

This study contributes to existing literature by positing that the rise of the global university as a functional model is higher education’s response to broader globalisation trends. This work also fills a research gap by asserting that the global university creates and distributes value to its stakeholders through relationship-based partnerships that facilitate enhanced achievement of the university missions of teaching, research and service to society. **Here it is argued that within the competitive global landscape of higher**

education, universities must assume the identity of ‘global universities’ to rise above the zero-sum notion of competition. They must cultivate meaningful, relational partnerships internationally to improve service delivery to their stakeholders, thereby becoming more attractive and competitive through cooperation in the worldwide contest for the best students, researchers, funding and other resources. These relational partnerships provide the foundation that universities need to pursue the vast array of teaching, research and service performance opportunities that are enhanced through international collaboration (Altbach & Knight, 2007; Otto et al., 2021). Within this framework, the successful implementation of a global university ethos is vital for a university to be internationally relevant amongst peers – a prerequisite in the modern higher education ecosystem. Therefore, global universities connect with other global universities to create value for their stakeholders, something they cannot create alone.

With an understanding of the global university explicated, this work continues by detailing its evolution, how it creates and distributes value and how this is measured and assessed-Concluding with a summary of key findings.

The Evolution of the Global University: from Human Capital and the Humboldtian model to Internationalisation and Division of Labour, to the Emergence of the Global University

For simplicity, three stages in the evolution of universities can be identified. Firstly, the human capital and labour mobility stage, where the focus of universities was on offering a focal point for students and academics. The second stage is characterised by the division of labour among universities in an international context, exchanging students and scholars. In the third stage, universities truly cooperate in the global context. See Figure 2 for a graphic depiction of this progression.

Figure 2: Stages of the Geographical Evolution of Universities



Source: Author’s own depiction, based on the work of Detweiler (2021), de Wit (2002), Lehmann et al. (2020), Otto (2021) and Otto et al. (2021)

However, in defining their relevant stakeholders, universities have diversified in the last century, particularly Anglo-Saxon universities compared to continental European. The latter are mostly still in the tradition of the Humboldtian university system, where science is undertaken for its own sake and, if there are stakeholders at

all, the major stakeholder is society as a whole – since universities are mostly publicly financed. Anglo-Saxon countries have diverged from the Humboldtian model, particularly after WW2, shifting towards the demands of industry and customers within the university business model approach – the students (Otto et al., 2021). Of particular note are the emergence of business schools in Anglo-Saxon Countries in the early 20th century and the shift from public to private finance via tuition fees. Following a ‘business model approach’ to maximise revenues, these universities increased their efforts to attract students from abroad to increase revenues from fees (see Table 1) to help with government funding shortfalls. This has drastically shaped the geographical expansion of universities worldwide. A third player has entered the landscape in the last few decades; Asian universities, Chinese in particular, have also started to expand beyond their national borders.

Table 1: International Students Enrolled in Post-Secondary Institutions by Destination Country: 2000, 2010 and 2017.

Year	2000	2010	2017
Panel A. Students from China			
Australia	5,008	87,588	128,498
Canada	4,701	26,298	66,161
United Kingdom	6,158	55,496	96,543
United States	50,281	126,498	321,625
Panel B. Students from India			
Australia	4,578	20,420	51,976
Canada	968	5,868	32,616
United Kingdom	3,962	38,205	16,421
United States	39,084	103,968	142,618
Panel C. Students from South korea			
Australia	2,361	7,311	8,316
Canada	1,116	4,320	5,277
United Kingdom	2,165	4,347	5,157
United States	38,026	71,514	56,186

Source: Bound et al. (2021)

Geographical expansion, the evolution from national to international and global universities, has become a strategic decision of universities and governments, leading to competition for high quality and affluent students beyond the local delimitation. Together with tuition fees, donations and investments made by industry have also become a major source of finance, expecting returns on their investments. Consequently, universities have invested in cross-border internalisation in several ways, such as close cooperation with partnering universities, contractual programs or direct investments with their own subsidies to satisfy the needs of industry and the students. **As globalisation has exploded, the ‘war for talent’ has become the slogan, resulting in an increased demand for talent from industry and pressure upon universities as filtering institutions and providers of talent.** Thus, one explanation of the global university can be seen in the current and future demands of their main stakeholders or those who they perceive as such.

As every country feels it is a part of the global society and economy, policymakers, university leaders and governmental officials prefer their institutions to be branded as global universities. This branding has thus become part of the university business model strategy, particularly in Anglo-Saxon countries where it can serve as a market signal. This is exemplified by Global University Systems B.V. (GUS), a private limited company registered in the Netherlands, founded in its present form and name in 2013 by Russian-born British entrepreneur Aaron Etingen, who serves as chairman, CEO and majority stockholder. As a corporate group, GUS owns and operates several private for-profit colleges and universities that attract fee-paying international students in the UK, Canada, Israel and Europe, as well as other brands and companies in the education sector. The consequences of these market mechanisms impact global talent development, the resources of colleges and universities, and labour markets in the United States and the countries sending students (Bound et al., 2021).

Despite these commercial aims, there has been a paradigm shift in Anglo-Saxon and European universities towards value-driven concepts - particularly of public and societal value. An interest in social value is growing, and universities are confronted with questions about what value they add, as the public expects them to help with recent and future problems they face. Stakeholders not only expect universities to work efficiently but also to contribute to solutions for society.

To deliver public and societal value, universities need to be focused on outcomes, precisely defining their contributions and measuring their results in terms of public and social value. Contributions to society are determined by how universities work on global issues connected to climate change, migration, inequality, natural disasters, pandemics, etc. Providing social and public value requires a global division of labour in scientific research and knowledge production, evidenced by universities acting in a global scientific ecosystem to help develop a vaccine against Covid-19.

Thus, the emergence of the global university goes far beyond the GUS as a profit-maximising organisation with worldwide subsidies. As seen in this paper, the global university constitutes a logical evolution of universities as the primary source of a global knowledge production function, generating knowledge spillovers to solve global problems. Even when recent developments such as Brexit, populist nationalism and the Covid-19 pandemic have pushed the education towards de-globalisation (Otto, 2021), the globalised university tends to dominate the higher education landscape more than ever. With the global contagion and resulting social and economic problems, crisis-management has also had to become global. **Modern, worldwide challenges require global cooperation instead of fragmented national responses. Therein lies the call for the global university.**

How Global Universities Leverage Relational Partnerships to Create & Distribute Value

As the key driver of a global university’s international value creation, partnerships with outside institutions, such as other universities, governments, NGOs, etc., serve as the platform for designing and implementing the programmatic portion of internationalisation (Hoseth & Thampapillai, 2018; Otto, 2021; Otto et al., 2021; Sandström & Weimer, 2016). These partnerships foster positive performance outcomes, including language learning, student and staff mobility, international experiential learning, multinational research consortiums, curricular development, etc.; thus allowing each partner to uniquely expand and improve upon its missions of teaching, research and service to society by

implementing the programs that these bilateral and multilateral partnerships enable (Hoseth & Thampapillai, 2018; Hudzik, 2011). **In this way, global universities improve their performance and create better value quality and quantity, for their stakeholders by engaging and cooperating to maximise the benefits of higher education internationalisation, enforcing the notion that universities can actually compete globally, by cooperating globally in a strategic manner.**

Since partnerships themselves are not a new or novel phenomenon, global universities must execute them in the most effective way possible to maximise benefits and gain competitive advantages for all participants. Despite the myriad opportunities for performance enhancement and expansion listed above, previous studies have generally concluded that developing a high quantity of partnerships is not the best strategy for realising these goals (Hoseth & Thampapillai, 2018; Sandström & Weimer, 2016). Global universities must be more strategic in partnership selection, focusing on quality, by seeking out other global university partners that can achieve multiple internationalisation value-creation objectives simultaneously (Sandström & Weimer, 2016). **This is best accomplished through relational partnership building, where the global universities involved seek more profound and nuanced partnerships built upon mutual interests and values, where institutions engage with one another through multiple and diverse programs, thus creating an entire activity portfolio within the partnership.** These nuanced and multidimensional collaborations generate knowledge spillovers through their inherent interdisciplinarity, further enhancing stakeholder value (Lehmann et al., 2020). Naturally, relational partnerships are then more sustainable as well, since they become ingrained into the institutions themselves and are not only fuelled by individual administrative or academic personnel (Hoseth & Thampapillai, 2018; Sandström & Weimer, 2016).

The partnership between Indiana University (USA) and the University of Augsburg (Germany) serves as an example of how global universities leverage a relational partnership to realise value creation for their stakeholders that they could not generate on their own. Originating from a personal relationship between two professors, the respective university apparatuses seized the opportunity to make the partnership institutional – moving from a starting point of isolated research projects to include student publications,

internationally-mixed student group consultancy projects, faculty-led study abroad programming, visiting faculty stays and research visits, co-hosted administrative summits, guest lectures and symposiums and semester-long student exchange programs. Over time, Indiana University established an office in Berlin, the IU Europe Gateway (among other worldwide locations), provides staff and space to help support such initiatives. Each additional program and initiative is designed to address one or more traditional university missions (teaching, research and service to society) and has brought new faculty members, administrative staff and students into the fold. This has increased the interconnected depth and breadth of the partnership not only across each university’s faculties but also to include one another in their respective broader partnership networks that incorporate other global universities and organisations, further increasing connections, opportunities and spillovers. This nature of intentional partnership expansion has greatly increased the number and quality of personal relationships between the internal stakeholders of the two universities, which, in turn, improves the quality and institutional trust in the overall partnership. With these qualities of shared interests, values and authenticity, the relationship is better leveraged by both institutions to act upon new opportunities, create additional value for one another and seize the resulting benefits (Sandström & Weimer, 2016). Further information regarding this case can be found on the associated university web pages.^{(1) (2) (3) (4)}

Global universities that leverage relational partnerships are able to lean on the trust and experience established in those partnerships to operate more quickly and flexibly than what is ordinarily possible in such large, process-oriented, bureaucratic institutions (Hoseth & Thampapillai, 2018; Sandström & Weimer, 2016). Not only does this provide first-mover benefits for partnering global universities to capitalise on new possibilities in the higher education marketplace, but it also enables participating universities to respond quickly, creatively and appropriately in times of change or crisis such as Brexit or the COVID-19 Pandemic (Otto, 2021).

1. <https://international.oneill.indiana.edu/>
2. <https://www.uni-augsburg.de/de/fakultaet/wiwi/prof/bwl/lehmann/summer-school/>
3. https://assets.uni-augsburg.de/media/filer_public/c5/1f/c51fff50-7736-4a30-b87c-7105354aadfe/inside_view_special_issue.pdf
4. <https://global.iu.edu/presence/gateways/europe/index.html>

In the latter case, the relationship between Indiana University and the University of Augsburg is further proof of this point. Directly after the outbreak of the pandemic, both universities were able to rely on their shared trust and history to swiftly alter plans and move international programs online, utilising new platforms and tools to continue creating value for stakeholders by keeping international education opportunities alive. Through the relational partnership, these global universities were able to pivot into a digital learning and engagement space to continue delivering student exchange programming, student group projects, consultancy services for external organisations, guest lectures, etc. This allowed the partners to continue to create value for their existing stakeholders in teaching, research and service and expand their reach and attract interest from new audiences and participants

How Global Universities are Measured and Assessed

Understanding that the goal and orientation of global universities is geared towards utilising relational partnerships and networks to improve mission achievement in teaching, research and service to society, it follows that at the top level, they are assessed by their overall performance in these categories. While universities of all sizes and reputations are also able to assert themselves as global universities, elite research institutions are deemed to be employing these concepts in such a way as to differentiate themselves from competitors, particularly their local peers (U.S. News and World Report, 2021). While there is certainly debate regarding the nature, composition, use and methodology behind global university ranking and evaluation systems (Marginson, 2007; Rauhvargers, 2011; van Vught & Ziegele, 2011), the U.S. News and World report utilise the above rationale to assess the top 1,500 global universities with select metrics which measure academic and research performance as well as regional, national and international reputation (U.S. News and World Report, 2021).

The geographic distribution of the top 1,500 global universities shows the individual countries that currently excel in this arena (see Table 2), and a look at the rankings, dating back to the origin of this system nearly a decade ago, shows how the concept has gained prominence internationally over time (U.S. News and World

Report, 2021). While the U.S. News and World Report’s findings are generally highly regarded, other points of view suggest that measurement and assessment of global universities may develop and become more nuanced over time to more adequately represent the effectiveness of leveraging relational partnerships to create value and mutual benefits, regardless of institutional reputation, national/cultural context or prestige writ large (Marginson, 2007; Rauhvargers, 2011; van Vught & Ziegele, 2011).

Table 2: Top 25 Country Locations of Global Universities

Country	Number of universities in the top 1,500	Percentage of the universities in the top 1,500
United States	255	17.0%
China	176	11.7%
United Kingdom	87	5.8%
France	70	4.7%
Germany	68	4.5%
Japan	65	4.3%
Italy	58	3.9%
Spain	48	3.2%
India	46	3.1%
South Korea	41	2.7%
Australia	39	2.6%
Brazil	38	2.5%
Canada	36	2.4%
Turkey	36	2.4%
Iran	31	2.1%
Poland	24	1.6%
Taiwan	21	1.4%
Russia	19	1.3%
Egypt	16	1.1%
Austria	14	0.9%

Chile	14	0.9%
Sweden	14	0.9%
Netherlands	13	0.9%
South Africa	13	0.9%
Portugal	12	0.8%

The Future of the Global University

The recent Covid-19 pandemic emphasises that the world has been facing many natural epidemics or outbreaks with global health concerns in the last two decades, e.g., SARS virus in 2003, Bird Flu virus in 2008 and Ebola in 2010, all requiring global solutions. While every nation maintains and applies its unique politics and mechanisms to stay healthy, cope with inequality, handle migration, etc., global solutions are necessary. These must be based on knowledge created in global knowledge production functions within global ecosystems that have global universities at their core. While much of the recent debate is about joint knowledge production and spillovers to solve natural pandemics, global universities are also looking back to their ‘Humboldtian’ roots in the sense that they generate knowledge and public value beyond the commercialising of knowledge spillovers in the short term. To do so, they expand their reach, influence and effectiveness by building relational partnerships with one another that allows them to achieve more for their stakeholders together than what they can on their own. **While recent nationalist and protectionist movements may hinder the mobility of students and scientists today, they will not impede the continued emergence of the global university in the future.**

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