

PRESUMPTIVE CORRELATIONS BETWEEN ECONOMIC DOWNTURN AND EDUCATION & TRAINING: NECESSARY PRECONDITIONS FOR UNIVERSITIES' ACTIONS

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Abstract

The growing complexity of modern economics and the protracted process of economic downturn stimulate broad investigation pursuing identification the essential boosters of the economics and possible causes of current embarrassments.

Some economists as Colander, D. C.; Holt, R. P. F.; Rosser, J. B. (2004), in the vein of ecological economics, believe that the neoclassical “holy trinity” of rationality, greed, and equilibrium, is being replaced by the holy trinity of purposeful behavior, enlightened self-interest, and sustainability, considerably broadening the scope of what is the mainstream.

In this paper the attempt is made to investigate the vigor of one of the fundamentals of the current economics. That is quality of manpower acting in the economics and relevance of it in circumstances when the society consumes more and more.

It is assumed among many causes of economic downturn a whole chain of interconnected reasons. At the very beginning of the chain supposed the erosion of spiritual values of acting economic community members. It is claiming that disremembered and muted spiritual values released greediness, boosted corruption, undercut the confidence between partners in the article. Those circumstances grounded conditions and influenced the emerging and afterwards consecutive fall of the expanded fictional business pyramids in many countries. Globalism of economic downturn demonstrates that those circumstances are not only local.

In that connection it is important to have a look to relevance of education and training of human resources as well as to investigate the essentials of education including cultivation of the spirituality of graduates in every study programme.

Discussing content of study programmes adequate attention to interdisciplinary and multidisciplinary study programmes is underlined. It is mentioned that those programmes could enable educating pathfinders with the broader scope of knowledge and skills. Those graduates could become the leaders in making reasonable sustainable long-run oriented innovations in the industry and society.

Maintaining the European concept of worth of university's diversity development of entrepreneurial universities with clear specific mission and regional involvement is supported as other essential improvement relevant to the current situation in the education and training field of the postmodern European society.

In the article University ranking as political instrument for enhancing of their quality is overviewed.

It is stated in the article that strenghtening the autonomy of the universities as well as increasing investments in education and training are enabling preconditions for the improvement of the performances of universities in European countries. The specific accent is made to the fact that relations of autonomy and financing as well as quality of universities are inseparable.

Main objective of the article is to discuss the presumptive correlations between economic downturn and education & training system disclosing necessary preconditions enabling universities for relevant actions.

Key words:

Economic downturn, spirituality of the graduates, education and training, university's autonomy, diversity, entrepreneurial university, interdisciplinarity and multidisciplinary, university's ranking.

Introduction

The growing complexity (Colander, 2000) of modern economics and the protracted process of economic downturn stimulate broad investigation pursuing identification the essential boosters of the economics and possible causes of current embarrassments.

Economists as Colander, D. C.; Holt, R. P. F.; Rosser, J. B. (2004), in the vein of ecological economics, believe that the neoclassical “holy trinity” of rationality, greed, and equilibrium, is being replaced by the holy trinity of purposeful behavior, enlightened self-interest, and sustainability, considerably broadening the scope of what is the mainstream.

Research problem being solved in the article is investigation what are the presumptive correlations between economic downturn and education & training as well as what are necessary preconditions for universities’ actions towards the better relevance of learning outcomes of the university’s graduates.

The object of the research is necessary preconditions for universities’ actions.

The aim of the article is to identify presumptive correlations between economic downturn and the results of education & training as well as formulate necessary preconditions for universities’ actions for enhancing the relevance of university’s graduates for leadership in the current economics.

To achieve this aim there are several tasks to be solved:

- Identification some mix-up in social contract between universities, community and authorities;
- Proposal necessary shifts in the content of graduates’ skills;
- Contemplation – is the diversity of universities not the advantage?
- Formulating the requirements for University rankings enabling to enhance quality of university graduates;
- Uplift of the autonomy as the essential precondition of universities for systematic improvement of the university’s activity;
- Identification the sustainable financing as fundamental precondition for systematic improvement of the activity of universities.

As the **research method** it was taken theoretical multidisciplinary analysis of the scientific works in the fields of economics as well as higher education history and philosophy.

Scientific originality and **practical significance** of the article is:

- Opened mix-up in social contract between universities, community and authorities;
- Uplift some important features of the university’s graduates relevant for the current economy;
- Identified necessary preconditions for effective universities actions enhancing relevance of the

graduates;

- Suggested concrete recommendations for higher education policymakers and university leadership.

Mix-up in social contract between universities, community and authorities

Analysing current economic downturn among the causes I assume a whole chain of the connected reasons. At the bottom is erosion of spiritual values of acting community members. Disremembered and muted spiritual values released greediness, boosted corruption, undercut the confidence between partners (individuals, companies, banks and state institutions). Consecutive fall of expanded fictional business pyramids in many countries caused financial instability and ultimately global economic downturn. Why did we get this situation ([Paul Krugman](#), 2009)? Many reasons could be nominated. Among them I assume as important the shortage of respectable attitude of mind as well as relevant knowledge and skills of manpower (Keršytė, 2008). Probable further reason could be imperfect education and training in universities. Financial crisis and economic downturn once more demonstrate that global community has lost the tune of triple capital - material, social and spiritual.

Therefore elevation of spiritual values of graduates such as humanistic and democratic mentality, respect of human rights, nurturance of cultural heritage and identity, sustainable development, etc. has to become the urgent task of every university.

Other fundamental reason of the economic downturn I suppose is that the effectiveness of state economics consists mainly on inordinate but primitive individual consuming. This circumstance is connected with spiritual values as well.

Why is it so, when many important efforts and actions for enhancing of quality of education and training in universities during last twenty years have been placed down in Europe and globally? Let look shortly to some aspects.

Policymakers and academicians are in the position, that strong research basis in the universities is the pipeline for knowledge and technology transfer to the industry and society. Yes, it is fundamental truth. But in many universities research as the university’s activity was overvalued and, contrary, education and training became undervalued. As the result overall quality of graduates started to cripple. Not in sciences or technology, but mainly in spirituality.

EUA and other university’s groups and local universities together with European Commission and local partners organised great number of various conferences and seminars searching for the best schemes and methods of universities activity. New versions of Educational law in many countries are adopted. Where

are the expected outcomes!? In spite of that great commotion at the supranational and national level the problems with quality of graduates still are evident. Why it is so – many efforts and manikin result?

I suppose, something wrong has to be in fundamentals – in social contract between university, community and authority (Kriščiūnas, 2002) as well as in managerial matters important in implementation phase.

In fact, some mismatch exists between understanding of the situation and ways of its improvement by policymakers and academicians. From one side, policymakers, especially at the national level, usually are in the force position. They believe that relevant and precise corrections of traditional mission, organisation and activity forms of universities are not able to solve still existing problems. Trying to improve situation policymakers predicate more radical changes involving even some governmental regulations especially concerning governance, financing, internal structure and even academic matters.

From the other side, universities' professors fairly understand the challenges coming with the new economic and societal transformations (Kriščiūnas, 2006), but they are bounded by university's developmental history lasting hundreds years. Universities protect and still believe in institutional autonomy which is world-wide recognised factor as crucial for universities effective activity in the society. Universities can't break traditions which are carefully enshrined from very beginning and became fundamental.

I suppose some important corrections should take place in setting goals and the managerial implementing instruments in education and training field. Discussing learning outcomes of the graduates I usually desiderate requirements about implanted spiritual values to the mentality of graduates in every study programme. Discussing the titles and content of study programmes I desiderate interdisciplinary and multidisciplinary study programmes. But those programmes enable educating pathfinders with the broader scope of knowledge and skills. This kind of graduates could become the leaders in making reasonable sustainable long-run oriented innovations in the industry and society. This approach is often in European Commission's documents, but not in real practise in national states.

Necessary shifts in the content of graduate's skills

As I already mentioned, spiritual values should have an important position among other learning outcomes of university graduates.

In the structure of learning outcomes alongside with knowledge obtained in the field transferable skills are becoming utmost important. Very important among skills in current situation seems the ability to find and

formulate the problem, to organise or make research and utilise the research results in practise.

Rapid extension of new knowledge's and technology's flow commits everybody to learn continuously. Infusion to the graduates lifelong learning skills and individual urge to learn continuous became serious task of universities.

Communication skills got extremely important. Every university graduate should be able to prepare documents: from personal essay expressing his thoughts or scientific paper placing evidence against hypotheses up to business plan (Henry Etzkowitz, 2008). Graduate's skills of working in groups and networks, and some other skills have to become ordinary.

High technology units incorporate and bind knowledge from traditionally different scientific fields (Kriščiūnas, 2007). Nevertheless, evident mismatch still exists between highly specialized degree programmes well fitted to industrial society needs and new, mostly interdisciplinary and multidisciplinary which are necessary for emerging knowledge-based society. Of course, knowledge based industry and services demand both kinds of graduates: generalists from multi-and interdisciplinary programmes as well as highly specialized.

Globalisation of human activity urges to equip students to deal with changing local and global situations. Graduates should become spiritually strong and dynamic personalities and have to have necessary knowledge in the field as well as transferable and specific skills to work in international landscape.

Is diversity of universities not the advantage?

Massiveness of higher education had contributed to erection of new institutions competing with older universities. As the result institutional and qualification systems of higher education became much more divers (Sybille Reichert, 2009).

EUA Lisbon declaration points that Universities recognize the fact that moving from an elite to a mass system of higher education implies the existence of universities with different missions and strengths. System of academic institutions got institutions with highly diversified profiles. Therefore it is utmost important to recognize equality of esteem for different missions.

The quality of profiled universities not always connected with scientific visibility. Lithuanian experience testify that governmental aspiration to implement research profile in every university is neither rationale nor possible. It concerns at first art academies and partially humanitarian as well as institutions of social sciences.

Traditionally universities and knowledge are inseparable. As Ronald Barnett (Barnett, 2008) postulates "Universities came to have not only knowledge production's function, but more than that, they had

a function in safeguarding knowledge, having a care towards knowledge and its validation. The university came to be the arbiter as to what counts as knowledge”.

Serious changes of university-state-community relationships implicated by the vision of “Europe of knowledge” step by step strengthen the preference of concept of Entrepreneurial University instead of concept of Research University.

The concept of entrepreneurial university in my point of view should integrate multiple missions and allow reinventing itself. It should contain strong will for materialization of:

- research based studies,
- diversified and wide university-industry/society cooperation,
- life-long learning for everybody with recognition of informal learning,
- strong comprehensive regional involvement,
- upholding green and sustainable development,
- diversified financing,
- student focused studies.

Europe might need several or several dozen research universities with high international prestige, excellent infrastructure and highly internationally visible professors. The others should seek recognition as entrepreneurial universities having clear specific mission and regional involvement. Of course, both types of universities should have the same overall prestige. But politicians and academics should simply never put parity sign when assess the quality of activity of concrete universities.

University rankings - for quality's enhancing

Two highest profile ranking systems in current time are Shanghai Jiao Tong University's and the Times Higher education rankings, both of which focus on what might constitute a world class university. They suggest that there is in fact only one model that can have global standing: the large comprehensive research university.

This concept contradicts the European concept that diversity is great European university's value. Europe severely needs multi-dimensional ranking system, which enables to evaluate the quality of universities implementing different missions.

Therefore I congratulate very much European Commission and consortium CHERPA-Network which won the European Commission's competition to develop global multi-dimensional ranking system (Van Vught, 2009).

The project anticipates two-level analysis (Focused Institutional Rankings and Field-based Rankings). The universities will be scrutinized along five groups of indicators:

- teaching and learning, incl. employability,
- research,

- knowledge exchange,
- internationalisation,
- regional engagement..

Project's team looks for customized rankings enabling the important advantages for students and academic staff, policy-makers as well as European business and industry.

Participation in the project's stakeholder's consultation process gives me confidence that politicians and academics in the nearest future will get effective and reliable instrument enabling strengthening and modernising the European universities, promoting diversity and quality of them. Students and society at large will get reliable and comprehensive continuous information source about the profile of higher education institutions and quality of study programmes.

Autonomy as the precondition of universities for systematic improvement of the activity

Institutional autonomy as necessary precondition for implementing university's mission in the society was stressed in European University Charter in 1988, repeated in Salamanca and other academic meetings, expressed in many European Commission documents.

EUA recently published survey (exploratory study) on really existing university autonomy prepared by Thomas Estermann and Terhi Nokkala under the umbrella of EUA. The study compares and analyses a series of elements of financial, organisational, staffing and academic autonomy in 34 European countries. The study seeks to offer the preliminary analysis of great diversity of models available. It enables governments to benchmark their progress on governance and autonomy reforms comparing other systems and gives policymakers feedback on their reforms from an institutional perspective.

Juxtaposition of situations across Europe reflects the multiple approaches for a balance between autonomy and accountability.

Although the study confirms the existence of a general trend towards an increase in university autonomy throughout Europe, there are still a large number of countries that do not grant their universities enough autonomy, thereby limiting the possibilities of improvement of the performances. There are equally cases where autonomy previously granted has now been reduced. Quite often there is also a gap between formal autonomy and the real degree of a university's ability to act with certain independence.

Sustainable financing as the other fundamental precondition for systematic improvement of the activity of universities

It is very well known fact that Europe's universities are not sufficiently funded and cannot be expected to

compete with other systems without comparable levels of funding. At present, European Union countries spend on universities about half of the proportion of their GDP compared to the United States. While Europe's Lisbon Strategy goals are ambitious, public funding for research and higher education is stagnating at best. Universities maintain that weakened public support erodes their role in sustaining democracy and their capacity for promoting cultural, social and technological innovation (EUA Lisbon declaration, 2007).

Governments must increase in an efficient and sustained way the investments in education and training. They have to ensure necessary levels of funding appropriate to maintain and raise the quality of institutions.

Financing and quality of universities are inseparable.

Generalised final conclusion: only very well coordinated concepts and implementation actions of policymakers and academicians based on mutual institutional respect could enable universities to realise their assumed long run diverse mission and the particularly mission in strengthening knowledge-based economy and society in Europe.

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