GLOBALISATION AND DIFFERENTIATION IN HIGHER EDUCATION SYSTEMS

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ABSTRACT

In this chapter, we argue from a theoretical perspective that globalisation has impacted differentiation within higher education systems. The three propositions about mechanisms affecting diversity distinguished by van Vught (environmental conditions, competition for resources and academic norms) remain the same, but the initial conditions have changed. Governmental policy, in particular, affects the degree of openness of higher education systems (positively or negatively), either through (de-)regulation or by affecting higher education institutions’ strategies for internationalisation. Thus, we add as a fourth proposition that increasing institutional autonomy increases system diversity in the context of globalisation.

Keywords: Globalisation; differentiation; institutional autonomy; internationalisation; government policy; deregulation

INTRODUCTION: GLOBALISATION AND DIFFERENTIATION

Higher education systems are increasingly exposed to the dynamics of globalisation and internationalisation, the complex interplay of these processes and the multiple ways in which higher education institutions are involved in both. Globalisation is primarily seen as a process of increasing worldwide interconnectedness and competition, while internationalisation refers to relationships...
and cooperation across borders between nations, or between single higher education institutions situated within different national systems (van Vught, van der Wende & Westerheijden, 2002). Simultaneously, both global competition for talent, resources and reputation, and international cooperation across national higher education systems and institutions have increased. In addition, many perceive system convergence between countries (e.g., resulting from the Bologna Process) in parallel with a growing global stratification of institutions. The latter is frequently attributed to the impact of global university rankings on competition and the pursuit of global reputation (Marginson, 2016b). Yet this ‘reputation race’ is also considered to have coercive effects on the diversity within higher education systems (van der Wende & Westerheijden, 2009; van Vught, 2008), although diversity is said to be necessary in complex knowledge societies.

Globalisation is thus, paradoxically perhaps, at the same time seen as a factor causing more inequality in higher education and suppressing system-level diversity. ‘Especially in the context of global competition, national higher education policies cannot avoid trying to optimize their higher education and research systems in terms of excellence and diversity’ (van Vught, 2012, p. 22). However, a narrow focus on top universities alone will not be sufficient to meet the increasingly diverse needs for higher education at national, regional and local levels. Hence the debate on ‘world-class universities’ versus ‘world-class systems’ (Hazelkorn, 2013; Millot, 2014). Many countries are indeed striving for differentiation in order to build such world-class systems, which are expected to support a combination of world-class excellence and effective internal system-level diversity in order to cater for an increasingly wide range of stakeholder interests.

But do we actually know how globalisation and internationalisation affect the processes of differentiation or de-differentiation in higher education systems? In other words, do we know how differentiation in national higher education systems works under the influence of globalisation? And what types of traditional and perhaps new forms of internationalisation fit in? We explore the influence of globalisation on differentiation processes in (national) higher education systems from a theoretical viewpoint. We suggest that this is a relevant issue, not only from a theoretical but also from a practical policy perspective.

The theoretical challenges imply that, in order to effectively study such questions, higher education systems should be explicitly conceptualised as systems of higher education institutions open to their international or global environment. To that end, the current lack of a conceptual framework for studying higher education systems that do not take the state as the exclusive, natural source of authority and legitimacy needs to be addressed (van der Wende, 2002, 2017). In this chapter, we will extend the open systems approach as theorised by van Vught (1996, 2009) to an analysis regarding the impact of globalisation on processes of (de-)differentiation in higher education systems, thus aiming to contribute to an extended and open conceptual framework for research on higher education systems. We expect such a framework to enhance the study of higher education systems, moving beyond ‘single-country myopia’ (and consequent methodological nationalism) blocking our view of the higher education
landscape and phenomena that cross borders or pertain to global systems (Marginson, 2017).

The theoretical exploration could in its turn inform governments that are seeking policies to respond effectively to the reality of open systems, that is optimising the benefits of global flows and opportunities, while facing the task of legitimately regulating a higher education system that is expected to provide access, opportunity, quality, equality, social mobility and cohesion, and to contribute to employability, innovation and economic growth. This is especially relevant in their search for steering mechanisms that would allow these seemingly conflicting aims of global excellence and national relevance to be combined within an open system.

For our conceptual framework, the following key concepts should be distinguished. First, diversity and differentiation. Diversity concerns the variety of units in a system, in our case the variety of higher education institutions and their various profiles. Differentiation is a process in which new units emerge or their profiles change, which in our case implies the emergence of new types and profiles of higher education institutions or their subunits. When differentiation occurs, higher education institutions become more diverse; when de-differentiation occurs, higher education institutions become more alike. We distinguish horizontal diversity (distinct institutional profiles and missions) from vertical diversity, which addresses different levels (e.g., degrees awarded, research missions) associated with extent of prestige and reputation bestowed on higher education institutions (Huisman and van Vught (2009). These are analytical categories and we note that the degree and content of diversity within a system, seen as desirable by governments, higher education leaders and other stakeholders, that is their concepts and (preferably shared) visions of a world-class system, constitute a normative, political choice. We will contend that globalisation may affect either or both of these types of diversity.

Secondly, the concept of globalisation. Globalisation can be neutrally defined as a process of growing worldwide interconnectedness, interdependence and competition (Held, McGrew, Goldblatt, & Perraton, 1999). As predicted by Castells (2000) among others, globalisation generates paradoxical outcomes. Piketty (2014) and Milanovic (2016) empirically demonstrated that, while economic and social inequality among countries has decreased at the global level, mostly due to the growth of Asian economies, notably China, it seems to increase within certain countries and regions (Rodrik, 2017). These patterns also affect higher education and research. Global differences among higher education systems may be decreasing (UNESCO, 2015), while higher education’s potential to compensate for increasing inequalities within societies, that is its meritocratic role, is being called into question, especially in wealthier societies (Marginson, 2016a; Milanovic, 2016). This is reflected, on the one hand, in the view that higher education is an active part of the globalisation process, contributing to growth in a global knowledge economy and resulting in the convergence of higher education models and systems. On the other hand, we find a critical discourse on globalisation as adding to the perverse effects of ‘academic capitalism’
(Slaughter & Taylor, 2016) like increasing global stratification (vertical differentiation) of higher education institutions and growing social inequality.

Considering these paradoxical outcomes of globalisation and the dialectic relationship between higher education and globalisation with their mutual causation (Scott, 1998), we cannot just assume that, in a globalised context, the same logic applies for differentiation dynamics within a national system, as when the latter is considered to be a closed entity. Extending within-system explanatory mechanisms into a global context can thus not simply be done by extrapolation. Outcomes may be contingent on conditions in the national context, in the sense that these may define to what extent and how institutions can engage in the global context. We will explore that context next.

**EXTENDING CONCEPTUAL FRAMEWORKS BEYOND STATE BORDERS**

The conceptual base for research on higher education systems is still mainly founded on the understanding according to which universities are embedded in a national or state system (Teichler, 2007), and that system-level steering (coordination) takes place within state boundaries (Clark, 1983). These approaches do not exhibit awareness of interaction beyond borders, that is, higher education systems are treated as closed systems. This is not to deny that there is also an extended literature about the activity and influence of transnational actors, such as the World Bank, OECD or the EU, on national higher education systems (e.g., Huisman & van der Wende, 2004; Martens & Wolf, 2009; Musselin, 2011; van der Wende, 2011; Voegtle, Knill, & Dobbins, 2010), but the theorising about higher education systems conceived the state as the crucial actor receiving such transnational influence and transmitting it to the higher education institutions, which in their turn remained largely locked into the national frameworks as their prime source of funding, authority and legitimacy.

Yet the flows, processes and transactions resulting from globalisation exceed the reach of a state, which has become too big for the management of everyday life and too small to control global flows of capital, trade, production and information (Castells, 2000), and the role of higher education institutions as actors of their own ‘everyday life’ in this global context must be incorporated into higher education systems theory. The state-bound concept of a higher education system has become too limited. Consequently, the state-bound model needs to be elaborated into an international or global context exploring questions regarding the interplay between forces at institutional, national and international levels and their effects on state policies and systems (Marginson & Rhoades, 2002; van der Wende, 1997).

Nevertheless, research demonstrates the continued importance of states’ actors and policies, and that although institutions are globally engaged, they are still mostly embedded in national systems with respect to regulation, funding, etc. (Beerkens & van der Wende, 2007). This could perhaps be explained by the relative absence of a global governance in higher education (King, 2009), or it might imply ‘that the nascent process of global governance in higher education
may actually be in decline’ (van Damme & van der Wende, forthcoming). From various theoretical perspectives, the impact of global competition on organisational change at universities — striving for more efficiency, market share or reputation — seems to be partly contingent on the state steering model in a particular country (Chirikov, 2016).

We begin our theoretical considerations at a basic level: why would (higher) education need special consideration among other goods and services in globalisation processes? Classical economic theory is based on markets of homogeneous goods, whose quality can be inspected in advance of buying the good. These ideas often, consciously or not, underlie governance approaches as well. In particular, the basic tenet of new public management that competition increases quality is built on this assumption. However, higher education (like many other goods or services ‘produced’ by the public sector), especially the teaching function, does not fit that model. Its utility or quality for individual ‘consumers’ (learners/students) is unknown at least until they have experienced studying at a university — and maybe even afterwards they cannot judge what studying has contributed to their career or quality of life, separate from other experiences during those years. For that reason, (higher) education is an experience good or perhaps even a credence good (Dulleck & Kerschbamer, 2006). Consequently, education and higher education need different governance arrangements from inspection goods, and ‘labelling’, increasing transparency through accreditation or ranking may play a role (Bonroy & Constantatos, 2008; Roe & Sheldon, 2007) to match student demand to the supply of higher education provision, because opportunistic behaviour of higher education institutions might otherwise not be noticed until it is too late. This is one reason why the involvement of government is more prominent in (higher) education than in some other sectors of society (similarly, the utility of (fundamental) research cannot be known in advance, and often not for a considerable time afterwards either).

In addition, higher education, especially the research function, has some (though not all) characteristics of a public good with positive externalities, which are prone to under-supply unless central authorities stimulate their production, for example, through funding (Dill, 2013; Oakland, 1974). Accordingly, governance arrangements and the role of government extend far beyond standard market regulation. Governments have the choice to treat all higher education institutions alike, or to differentiate among them: awarding of higher versus lower degrees, teaching-cum-research mission versus teaching-only mission, specialised disciplinary profile versus comprehensive institution, locating institutions in certain regions with commensurate specialisations (e.g., mining engineering near mountains and fishery research near the sea), etc. In other words, the governance regime may affect the diversity of the higher education system (van Vught, 1996). We will thus have to take national system governance into account when exploring how globalisation and internationalisation affect the processes of differentiation and de-differentiation in higher education systems.

Let us now explore the distinction between globalisation and internationalisation in some more detail. In general terms, globalisation can be seen as a process of increasing worldwide interconnectedness and competition. Internationalisation,
however, can be defined as a process of increasing intended interaction between states, and hence of increasing cross-border activities. The distinction is relevant, because the role of national government is seen as more prominent in internationalisation as a process of increasing interaction between states, and thus as more steerable, for instance through intergovernmental agreements. In contrast, globalisation is mostly seen as an external macro socio-economic process in which the role of states is diminished and often characterised by deregulation.

In higher education, internationalisation regards both the policies of governments and of higher education institutions with respect to cross-border activities. In addition, internationalisation policies can be seen as efforts to make the sector more responsive to the requirements and challenges related to globalisation (van Vught, van der Wende, & Westerheijden, 2002). This may, for instance, relate to the international and intercultural skills required from graduates, or to the growing competition in research, innovation and recruitment of global talent. Such efforts may be driven more from the top-down by governments or more from the bottom-up by the initiatives of a single or a group or network of institutions, who (in turn) seek to explore their opportunities to recruit students or to expand research collaboration. The role of the government is indispensable when it comes to, for instance, accepting international students and staff in relation to immigration laws (recent political changes under the Trump administration in the US and in anticipation of Brexit illustrate how important such conditions are for higher education’s international ambitions) or to establishing branch campuses (licensing procedures or governance requirements).

The role of government can be more extensive, as, for instance, in the European context, where the European Higher Education Area (EHEA) was created through the Bologna Process, involving intergovernmental cooperation between 48 countries (including all EU member states) and the European Commission. This process defined the internationalisation agenda for higher education institutions and even for system-level reform in Europe for at least a decade. Governments may also choose to delegate their authority to a higher (supranational) level, as was the case in the creation of the European Research Area (ERA), a process led by the European Commission aimed at removing legal and other barriers, resulting in an open space for knowledge and an open market for researchers. Though the member state governments were initially decisive in joining the effort, the later steps could be seen rather as forms of deregulation.

Finally, individual or groups of institutions may react to government regulations or even bypass them in their international activities, which can lead to deregulation, sanctions or re-regulation. All these examples illustrate how, through different types of internationalisation, the diversity of higher education systems may be affected, whether through convergence, such as the harmonisation of degree structures through the Bologna Process (e.g., Witte, 2006), or divergence, as in stratification as result of more international competition (Slaughter & Taylor, 2016) and mobility in research. Such processes may occur in parallel and governments may use a mix of different policies and strategies.

We assert that the crucial variable with respect to the relationship between globalisation/internationalisation, on the one hand, and system-level diversity,
on the other hand, is the extent to which the country is open to globalisation, as this seems to be a basic rationale for internationalisation efforts at all levels. This was observed clearly in the heyday of globalisation debates around 2000 when European countries engaged bottom-up in the Bologna Process, and when the ERA was launched to make Europe the most competitive and dynamic knowledge-based economy in the world. Accordingly, we expect globalisation to affect higher education strongly in countries that have open economies and open borders, or which may even consider higher education as an export product itself (e.g., the UK and Australia).

The logic of our argument is then as follows:

(1) The receptiveness of higher education institutions for globalisation, both in terms of opportunities and challenges, will be larger the more a system is open.
(2) The degree of openness of the system can be increased by governmental policy, which can take shape either through
   • deregulation and consequently increased autonomy for higher education institutions, or
   • a more regulated (‘Bologna Process’) type of internationalisation policy in which the government itself is an important actor, but through which institutional autonomy is not necessarily increased.
(3) Only in cases of increased institutional autonomy can relevant effects on system-level diversity be expected from globalisation/internationalisation, because increased autonomy allows variety in how higher education institutions respond to changing conditions in the global context. In particular, three such conditions matter in this respect, which will be discussed in the next section.

In other words, the extent to which the national regulatory framework gives autonomy to higher education institutions to shape their own responses to global challenges and opportunities, that is to exploit new strategic options for cooperation and competition within the system and beyond, is the crucial factor as to whether globalisation may affect the diversity of higher education systems. Conversely, for non-globalisation (and thus no internationalisation) to occur, government intervention is a necessary condition.

Thus, if a government does not take protectionist or isolationist action using the policy instruments of regulation, funding, persuasion and/or organisation, an open system results and global dynamics can neither be ignored nor relegated to the position of a minor add-on to the national context. Globalisation then becomes pervasive and interferes with the national context, even if not every higher education institution takes part in international interaction. Consequently, it should then be considered as an integral dimension of the system’s steering concept. To understand if and how steering is affected by globalisation, let us elaborate the theoretical skeleton underlying (de-)differentiation.
TOWARDS A THEORETICAL FRAMEWORK

Three Propositions

A higher education system consists of individual higher education institutions and provides the conditions in which they operate. The main assumption governing the operation of higher education institutions within a system is that they are open, that is they need the environment for a continuous and sufficient supply of resources. Resources include quality and quantity of research/teaching staff and students, funding to enable them to work (pay salaries, build and maintain facilities, etc.) and also the authority to provide education and degrees. This assumption is grounded in, amongst other theoretical approaches, the population ecology and resource dependency literatures (van Vught, 1996). The term ‘open system’ was used in the previous section in a somewhat different meaning, with ‘open’ denoting relationships across state borders. Here, in a wider meaning of ‘open’ we add that higher education institutions depend on resources from either national or international sources; our interest is in how the cross-border flows affect the within-system relationships.

Focusing on how processes of (de-)differentiation take place in higher education systems, the question becomes what forces determine whether higher education institutions become more like each other or more unlike over time? Neo-institutional approaches (e.g., Powell & DiMaggio, 1991) have argued that this takes place through various forms of institutional isomorphism, increasing similarity in organisational behaviour, as a reaction to uniformity of contextual conditions. From several strands of theory, in particular resource dependency theory and the neo-institutional mechanisms of normative and mimetic isomorphism, van Vught (1996) derived three propositions about (de-)differentiation and diversity in a higher education system:

1. the higher the level of uniformity of the environmental conditions of higher education institutions ($P_1$), and/or
2. the stronger the competition for scarce resources ($P_2$), and/or
3. the larger the influence of academic norms and values in higher education institutions ($P_3$),

the lower the diversity of a higher education system will be.

$P_1$ and $P_2$ focus on resource dependency: higher education institutions need to gain resources from the environment. Stronger competition will make all of them focus more on successful behaviour to gain those resources ($P_2$), and if there are fewer separate niches for resources ($P_1$), they will all direct their behaviour to the same types. $P_3$ is about ‘academic drift’: it is assumed that all academics primarily want to further their career, which in universities means they must ‘produce’ research and publications. If left unrestrained, this tendency would reduce all higher education institutions to a single type, that is, research-oriented universities.

Our assumption is that the three independent factors are additive; they are not assumed to interact with one another regarding their impact on diversity of
the higher education system. In other words, we have three propositions that are independent of each other.

Note that the propositions have *diversity* as the dependent variable: they are meant to make a statement at a single point in time, which can be tested by cross-sectional studies. The same propositions could have been formulated with *differentiation* as the dependent variable, and could then be tested in case studies of (single or multiple) higher education systems over time.

The three propositions were drawn up for autarkic higher education systems, without considering the consequences of globalisation. That is the addition to which we turn next.

*Extending and Exploring the Hypotheses in the Context of Globalisation*

We argue that the driving forces for institutional behaviour remain the same in a globalised world, but our contention is that the conditions have changed radically. The essence of globalisation is that there is increased openness of a system to the global environment.

The larger global environment adds options and role models for institutional behaviour to the within-system environment (*P1*). The larger number of options becoming available must imply less uniformity as there is an addition to the number of previously existing, national options and role models (even isomorphism shifts from national to global imitation). It might be argued that in some respects the number of options increases, but not their variety. International environments may only offer more of the same, such as research grants through the EU, and perhaps even fewer different types of options may be available abroad than nationally (there is no basic education grant from the EU). Still it would be hard to imagine that adding the global environment would reduce the number of behavioural options for a higher education institution. As international funding options gain weight in the total budgets, higher education institutions experience increasing pressure to explore those international options next to the previous, national ones.

In addition, different from the national context, the global environment imposes less formal regulation – ‘soft law’ is probably the hardest type of international regulation, next to non-governmental, professional norms (e.g., in international accreditation schemes). While in national contexts particularly uniform governmental steering generally urges (or even forces) higher education institutions towards similar behavioural patterns, the global context appears to offer them more space to choose and act according to their own priorities. In this sense, the global environment allows for a widening variety of behavioural options.

There is also an indirect impact to consider. Governments will react to their globalised environment; deregulation appears to be not only a major reaction, but also change of regulation occurs. To the extent that regulatory reform is influenced by attempts to show off one’s country in global rankings, by policy borrowing and international standards and models, as from the EU, Bologna Process, UNESCO and OECD guidelines, or by what is perceived as good practices in the ‘world polity’(*Meyer, 2010*), such reforms create increasingly similar
national contexts in each country — as does deregulation. In that sense, national contexts may become more alike across fairly open systems in all continents and diversity between those systems may decrease. However, this indirect impact does not, in itself, affect within-system diversity.

Concerning P2, globalisation decreases national competition for scarce resources, because the number of resource options grows. For instance, new resources might include mobile students and staff (through bringing them to the original campus, through establishing campuses abroad, where the resources reside, or through virtual presence), international funding, especially for research and innovation, and international authority through availability of quality labels from abroad (e.g., Asian or European universities striving for accreditation from American agencies).

It might be countered that the competition in the international arena is fiercer than national competition, because there are more contenders for the same resource, and because there is less institutionalisation of competitive elements into patterned behaviour (regional monopolies, habitual funding divisions, etc.). This does not, however, undermine our basic proposition that more places to find resources become available, thus reducing the level of competition for the previously existing set of national resources.

In our ceteris paribus style of reasoning, we do not consider that governments may increase the within-country competitive pressure on higher education institutions, as both deregulation and many regulatory reforms go into the direction of introducing market mechanisms and less security of basic funding. It is accepted that many higher education institutions feel that this increases the importance of the economic rationale for their international activity, but in our analysis, the issue is that opening up to globalisation per se adds to the number of potential resources and thus reduces competitive pressure on any one resource.

Academic norms and values (P3) have been influenced by the global environment of disciplinary communities ever since the establishment of universities, at least in the Western world and at least in the sciences, even though in humanities, national disciplinary communities have been more prominent (e.g., think of the tight control of humanities under the Soviet regime). In that sense, P3 already carries an implicit global influence. However, under the condition of increased globalisation since the late twentieth century, international scientific communication has strengthened with the increasing number of international journals and publishing houses, with the increasing importance assigned to such international publications, with the availability of global rankings largely built on international publication and citation indicators and also through the development of regional or worldwide standards for degrees (e.g., the Washington Accord in engineering or the Tuning reports defining Europe-wide expected learning outcomes). Hence, the influence of academic norms and values appears to have increased.

We see two possible counterarguments. First, it could be argued that academic norms and values among teaching and research staff might weaken because of globalisation. This would result from staff’s increased international composition, and from the increased proportion of staff on temporary contracts. As a result,
teaching and research staff would be more fragmented. While such fragmentation might indeed occur, it does not deny that all of them are driven by internationally-shared academic norms and values. Perhaps, especially the staff who identify less with any particular higher education institution, as they are internationally mobile, are carriers of those global academic norms and values, ‘nomadic’ post-doctoral researchers no less than ‘star’ researchers and professors. Therefore, we assume that the influence of international academic norms and values on higher education systems has increased through globalisation.

In a second counterargument, building on the differential agency of some higher education institutions in internationalisation, increased managerialism as a condition for engaging in the international arena would weaken the influence of academics in the institution. Although that might indeed happen, it does not necessarily follow that academic norms and values are less influential on the institution’s behaviour: Institutional leadership may be as keen on gaining international repute as any academic (van Vught, 2008). Besides, even if institutional strategies in the global arena were guided by an economic rationale (as in P2) rather than by global academic norms and values, institutional behaviour would be largely similar: pursuit of international resources.

We argue that the three propositions explaining the behaviour of higher education institutions remain unchanged in a globalised context. We suggest that, also in the context of globalisation, the higher the level of uniformity in environmental conditions, and/or the stronger the competition for scarce resources and/or the larger the influence of academic norms and values, the lower the diversity of a higher education system will be.

We suggest that the difference brought about by globalisation lies not in the explanatory mechanisms, therefore, but in the initial conditions under which the old mechanisms continue to operate: we expect less uniformity, less resource competition and more influence of academic norms and values. While the last of these is expected to diminish diversity, the former conditions increase it; so to the extent that higher education systems are open to globalisation, we expect, on balance, increased diversity of those systems. It would take empirical research to find out whether the possible counterarguments regarding the initial conditions are of such influence that they could drive the results on the dependant variable (level of system diversity) in the opposite direction and thus falsify the propositions.

**Additional Proposition on Autonomy**

Our contribution to the debate, however, goes beyond the three propositions. While in systems theory the attribute open/closed is treated as binary, the degree of openness of higher education systems to global influences may vary, and we contend that states’ steering concepts play a major role in that respect. In discussing P1 and P2, we touched upon governmental reactions. In particular, European higher education systems have been regulated to be very open to influences from the EHEA through the Bologna Process since 1999, and to EU influences such as ERA (for the higher education systems in EU member states and associated countries). Independent of regulation, US higher education has been
perceived as the most successful model all across the world, and as something to be emulated (Meyer, Boli, Thomas, & Ramirez, 1997), ever since the US’s political dominance in the Western world after the Second World War, reinforced by linguistic ties, English having replaced French, German and — until the nineteenth century — Latin as the foremost language of learned debate.

The US’s academic predominance has been further underpinned by the advent of global rankings since the turn of the twenty-first century, which put a premium on research publications in English and in US-based journals (van Vught & Ziegele, 2012). As a result, many national governments have ‘imported’ US higher education attributes and characteristics, like China did with its ‘open doors policy’ from the 1980s. The growth of its system and success of its top universities now leads to questions on how a model ‘with Chinese characteristics’ may influence the future global higher education landscape in turn (Kirby, 2014; Postiglione, 2015, 2017).

Not all states have opened their higher education systems to globalisation pressures to an equal degree. We suggested before that steering concepts that emphasise deregulation in higher education create favourable conditions for higher education institutions to enter into international cooperation and competition. Governmentally regulated or policy-stimulated internationalisation in many cases similarly has the deregulatory effect of increasing the room for manoeuvre for institutional strategies: often, policies to internationalise enhance the number of options available to the institutions. They gain options to become internationally active but do not necessarily lose their previous national and regional strategic options; many higher education institutions are active at regional, national and international levels at the same time. Deregulation and governmental internationalisation policies in this sense tend to stimulate the autonomy of higher education institutions and imply a relative openness to globalisation.

Furthermore, assuming that the global environment imposes less uniform pressure on institutions than national policy contexts, we suggest that increased autonomy offers institutions freedom to either engage in or refrain from international activities, leading to diversity of behavioural patterns at the national system level. Here, we relate to Sheldon and Roe’s (2008) point that higher education institutions remain the actors in the higher education systems, and that some may have different positions from others. In particular, some institutions are more oriented towards international research and cooperation to begin with than others. This may give the former more incentives to benefit from globalisation because it would allow them to profile themselves more strongly in the context of the national system. However, all these possible behavioural options can only occur if institutions have autonomy to react according to their own priorities. We suggest that only if institutional autonomy increases, can we expect consequences for system diversity from the globalising context. These considerations bring us to a fourth proposition:

**P4.** If and to the extent that, in the context of globalization, the level of autonomy of higher education institutions in a higher education system
increases, the level of diversity of that higher education system will increase.

We hypothesise that if higher education institutions are given more autonomy, some will be eager to exploit their strategic internationalisation options and will seek conditions that allow them to distinguish themselves from other institutions in the national context. In other words, they will try to make use of the opportunities available from globalisation to strengthen their national profile (van Vught & Huisman, 2013). Other higher education institutions may not choose internationalisation, perhaps because they do not have the resources to engage in the competition for ‘world-class’ status or simply because, given their profile and priorities, they are less interested. This results in a process of differentiation and increased diversity at the national system level. Whether this proposition is correct can only be determined empirically.

**DISCUSSION AND CONCLUSION**

In this text we have in a theoretical sense explored the impact of globalisation on differentiation processes in higher education systems. We have argued that the effects of the ‘behaviour’ of higher education institutions on system-level diversity can be explained by means of three propositions (on the degree of uniformity of environmental conditions, on the intensity of competition for resources and on the level of influence of academic norms and values), and we have suggested that these propositions are also relevant when the analysis is extended into the context of globalisation. We have also suggested that governmental internationalisation policies may create more or less attractive conditions for higher education institutions to engage in international cooperation and competition. In other words, the receptiveness of higher education institutions for the opportunities and challenges of globalisation depends on the characteristics of national internationalisation (and other) policies, and in particular on the extent to which these policies provide more or less autonomy to these institutions. We argue that the larger this autonomy is, the more institutions will be inclined to explore their international strategic opportunities. Assuming that the globalised environment imposes less formal uniform regulation on higher education institutions and that (more or less explicit) differences between the ‘profiles’ of higher education institutions exist in any higher education system, we predict that (in a context of globalisation), when offered a larger autonomy, higher education institutions will show different ‘profiling behaviour’ leading to higher levels of system diversity.

Our argument in this chapter has been theoretical, in order to eke out systematically the consequences of globalisation for differentiation in higher education systems, without falling into value-laden points of view. To remain systematic, we had to simplify the model of each higher education system to individual higher education institutions with very little specification of their characteristics. Thus, we did not include effects of (national and international) networks or alliances among institutions — a phenomenon that is becoming more conspicuous...
in the globalised world of today. Also, we did not complicate our argument by looking at consequences of online education, open science movements, etc.

Even without making the line of argument more complicated, we hope we have shown that the consequences of globalisation for differentiation processes in higher education systems tend to go in the direction of increasing diversity (the initial conditions for $P1$, $P2$ and $P3$), and the more so, the more the system has increased institutional autonomy ($P4$).

That we have focused on a theoretical exploration of the effects of globalisation on system-level diversity does not mean that we close our eyes to side-effects of deregulation and globalisation. As stated before, globalisation has been shown to lead to increased socioeconomic inequality within certain countries and regions. It is our view that national higher education policies can and should address this growing inequality. ‘Real’ world-class higher education systems should combine openness and internal diversity as key factors for excellence and relevance. But diversity is also a crucial characteristic for a system in order to have the capacity to address the negative globalisation effects regarding inequality. A diverse higher education system allows the provision of a variety of programmes and institutions to cater for the diverse needs of student groups with different socioeconomic backgrounds. System-level diversity is a crucial condition to allow higher education to play its meritocratic role in society and, by doing so, to counter the negative effects of globalisation. Unfortunately, in practice, the diversity of higher education systems is not always seen to be an important policy target. Many governmental policies in higher education focus on increasing institutional autonomy. However, the effects of such policies are rarely considered. In particular, the loss of system-level diversity as a result of the behaviour of higher education institutions is often not taken into account, which implies that the possible negative effects of globalisation on the meritocratic function of a national higher education system cannot easily be addressed.

It is also observed that: ‘While greater institutional autonomy might seem like a good thing in that it allows for a quicker response to social and economic shifts, this also permits opportunistic initiatives that may not be beneficial in the long run’ (Altbach, de Wit, & Reisberg, 2017, p. 13). This points to another possible negative effect of higher education institutions having more autonomy, in particular in a globalised context. As we indicated, opportunistic behaviour is all the more likely in the case of experience goods, and even more so in global environments where trustworthiness of market information is diminished by national differences in understandings of terms like ‘accredited status’.

As Rodrik (2017) denotes, globalisation has redistribution as its flip-side, with negative effects such as increasing social-economic inequality, loss of control of national welfare state arrangements, reduced national steering capacity and possible opportunistic behaviour in the global context. We should be aware of these negative effects and analyse them. In this chapter, we come to the conclusion that there is no reason to expect that globalisation necessarily leads to reduced diversity within national higher education systems. On the contrary, we have shown that globalisation may very well bring about an increase of system-
level diversity, which would help avoid some negative effects of globalisation. We call upon our readers to test our propositions empirically.

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