In many parts of the world, scholars and their students have been assembling for learning and study for well over two millennia. The modern university, however, is first recognizable in medieval times. Although universities have changed dramatically over the centuries, they have clung proudly to this medieval ancestry chiefly because, at their best, these medieval institutions:

✔ represented more open institutions of learning than any that came before;
✔ provided special protection to the student and the scholar; and
✔ formed a special kind of international community of learners.
Universities, again at their best, remain today those institutions that value above all else sustained thinking and freedom of thought and that, alone among our institutions, provide the working conditions and time for scholarship and research in a context that crosses lines of race, ideas, class, gender and culture.

Nevertheless, change has been a constant feature of universities. Indeed, it has been the capacity of the universities to reinvent themselves that has enabled them to persist over so long a period. Thus, the twentieth century witnessed an enormous transformation of university education – a transformation that reflected the changing environment of the societies that support university institutions. Now, in the first century of the new millennium, new challenges to the human condition are arising – challenges of demography, new forms of communication, the environment and technology, as well as, of course, both political and cultural fragmentation. Surely, these will have an impact on the role and meaning of university education.

As we consider the role of universities in a rapidly changing environment, we must remember that universities, their curricula, their scholarly and other programs should all be designed to serve some civic purpose. Teaching and research are a public trust. It is the civic purposes served by universities that provide the foundations for their social legitimacy. Universities cannot be defended by way of preserving a portfolio of medieval privileges and/or preserving any right of scholars and students to special entitlements not enjoyed by other citizens. The special freedoms appropriately enjoyed by university communities are, in fact, mechanisms to enable universities to meet their social responsibilities more effectively.

In this context it is useful to recall some of the history of the enormous expansion in university education that has taken place in the last century and a half: the decision to proceed with universal elementary and secondary education; the expansion and secularization of both the university and its curriculum; and a change in the perceived civic function of the university.

All of this led to the model of the modern university, devoted to mass education in the context of a constantly renewed search for new knowledge and to the idea of the university as one of contemporary society’s most important institutions. Of course, no one anticipated the explosion of knowledge that took place – an explosion which has made new technologies an essential component of the twenty-first century’s imperative to create new environments and new agendas for both scholarship and teaching.

It is likely that these new technologies, together with the increasing heterogeneity of the student body, will lead to the creation of an increasing variety of social settings for learning. Some believe that our rapidly growing portfolio of software-integrated environments, sustained on broadband communications networks, will make current learning environments and the institutions that sustain them obsolete. It is more likely, however, that current institutions will continue to change and adapt in less radical and heroic ways. That said, given the continuing and worldwide increase in the demand for higher education – a demand that cannot either be gainsaid or fully responded to by the existing campus-based institutions, no matter how flexible and imaginative they become – new institutional forms are certain to evolve.
There were 48 million people in higher education worldwide in 1990. By 2010, that figure is expected to have increased to 97 million and in 2025 it is expected to reach 159 million, 87 million of whom will live in Asia. Total global expenditure on education is expected to double in the first six years of the twenty-first century from around $US 1.5 trillion to over $US 3 trillion. Longer-term projections are for a further doubling by 2012. Indeed, it may well be that no sector of the global economy will experience more rapid and sustained growth in demand over the next twenty-five years.

The key drivers of this sustained educational boom will be the continuing growth and sophistication of “knowledge work”, which will be accompanied by an apparently insatiable demand for “knowledge workers”. This, in turn, is likely to be accompanied by rapid developments in the communication and information technologies that will provide an ever-growing proportion of the world’s population with access to educational services. In this context, the historic monopoly that traditional universities have enjoyed over the provision, accreditation and certification of higher education will increasingly attenuate as new competitors enter the educational services marketplace. The most formidable competition is likely to come from e-education as it moves to provide education to large, globally distributed constituencies and, as learning environments that are more complex, challenging, personalized and dynamic emerge, to secure economies of scale not available to campus-based competitors. Advanced education and training offered via satellite/cable television and through the Internet may well become one of the most dynamic sectors in global e-commerce.

Traditional universities will, of course, play a part in these developments. Encouraged by the early stages of this change in educational services, traditional campus-based universities have for several decades been extending their educational activities into distance education, and some new “open” or “virtual” universities are beginning to appear. Traditional university providers will, however, neither monopolize nor necessarily dominate e-education. E-education represents a natural extension of existing “core business” for powerful commercial interests from the telecommunications, internet servicing, entertainment, publishing and software development sectors, and it at least appears to offer them a highly profitable leveraging of existing infrastructure and, in some cases, know-how.

In this competition, very loosely coupled governance and policy structures and appropriately non-commercial values place traditional universities at some disadvantage in terms of both willingness and capacity to innovate, to say nothing of the requirement for both international commercial experience and ready access to investment capital. On the other hand, the potential corporate providers face significant barriers as well. They do not, at least at the present time, have either the experience or the expertise in the specialist area of educational service delivery. Thus, for them, alliances with a traditional provider may be the easiest route to credibility in academic administration and student services. More intractably, however, new educational providers lack the kind of legislative or chartered authority that has underpinned the historic monopoly that traditional universities have exercised over the accreditation and certification of higher education degrees and diplomas, making it difficult for these new providers to do business at the premium end of the educational services market.

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In e-education, as in all education, branding and quality assurance will be as important as the intrinsic quality of the learning experience delivered. In a competitive educational marketplace offering many choices, all e-education providers will have to be able to persuade potential students and satisfy those enrolled that they can meet individual educational and training needs in an exemplary, timely fashion. Success will elude those who compromise either educational quality or the quality, convenience and reliability of student support services. Thus, among the barriers to entry — and reasons for commercial failure — in e-education, the absence of credible branding, quality assurance and academic accreditation will be the most serious. Without these, even the best courses, the most advanced delivery infrastructure, and the most sophisticated learning environment software will fail to satisfy e-education clients that a qualification will remain credible, valuable and internationally portable throughout a career.

Thus, it may be that the most successful global e-education enterprises will involve strategic alliances and/or partnerships between traditional universities and new providers in which all of the key players concentrate on what they do best so as to find that combination of skills, infrastructure, technologies, expertise and educational branding that is needed. If this is the case, it will turn out — rather anti-intuitively — that cooperation between competitors will provide the range of actual, workable solutions. Such cooperation will not develop easily since, in many cases, the underlying values of the cooperating institutions and/or corporations may not be shared. Indeed, they may be mutually exclusive. Finding the common ground on which to work together will be a challenge, but it is a challenge that must be faced if there is to be any hope that higher education can meet its social responsibilities.

Coming at universities from another perspective, it is clear that the dramatic expansion of university education in the twentieth century has led to a substantial widening of the range of achievement and objectives of both students and faculty. As a result it is also clear that mass university systems are best served where there is differentiation between institutions. Assuming that access between institutional types is feasible — although not necessary easy — such differentiation is entirely appropriate to a mass, heterogeneous system, permitting a variety of responses that can better match the variety of needs and objectives of faculty, students and the wider society. In the century ahead, differentiation must not only be legitimized; it must also be espoused as a matter of public policy.

The challenges of university expansion and differentiation are made even more complex by increased costs, which are not simply a result of increased enrollments. In almost every jurisdiction the data reveal that, even adjusted for inflation and expansion of service, university costs have increased substantially. Indeed, it appears that university revenues will not grow to the extent that would be necessary to maintain the quality, scope and method of work within the current system. Thus, universities will have to face the imperatives of:

- increasing productivity, not to increase service but to reduce unit costs;
- considering a much wider range of pedagogies and new ideas regarding the structure of university-based research programs.

In terms of this paper, there is a final challenge to consider. Investments in university education will not be sufficient. In the final analysis it will be the quality of the social, political and cultural institutions in which universities are embedded that will enable a society to benefit from the value of university education. Advocates for university education need to be champions for those other social investments, such as childcare and elementary and secondary education, for it is those investments that will be necessary for the value of a university's work to be fully realized.

None of this will be easy. But universities cannot draw back from their obligation to engage the issues, ideas and policies that connect them to the interests of others. By acting on this obligation, we confirm our commitment not only to our privileges, but also to our informing values and responsibilities.

Although the future of universities cannot be confidently forecast, it seems likely that they will continue to change and adapt, although more quickly and responsively than in the past. Indeed, they are even likely to get beyond today's rhetoric of productivity, cost effectiveness and relevance (important as each of these is in its own right) to focus once again on the value of free thought, pluralism and independence. The university is, after all, a home for priceless ideas, and a society that looses the ideas upon which its culture is based is a society that has lost its soul.

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