

## **Universities must embrace cultural change**

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Universities are among the most successful institutions created. But what role do universities need to play in the knowledge society of tomorrow to continue their success? This question grows more pressing for the western welfare states, as their dominance in research and innovation is being challenged by globalisation and the dynamics of the emerging economies.

The example of the US, which like no other nation, has been able to benefit from universities as drivers of growth, makes this abundantly clear. For a long time America has combined cutting-edge university research with strong science and engineering and entrepreneurial-oriented business schools. This has allowed the country to promote groundbreaking innovations.

Yet, in an era of major shifts in information flows and communication practices, there are increasing doubts about whether the concepts that allowed previous innovations remain sympathetic to the challenges and research priorities of the future.

The advance of biotechnology and social sciences absorbs almost half the research funds of US universities. Add the expansion of national security and military research, and universities have lost important drivers for the industrial use of new scientific insights. Instead, the ivory towers, which were once believed to have been abandoned, have re-emerged. Tackling the gigantic US budget deficit, will also require new structures and processes in research and teaching at universities.

In Europe, Germany may appear to be in better shape to innovate, with its broad mix of industrial and service-related leadership and its strong and flexible small and medium-sized businesses. However, this should not obscure obvious weaknesses. What has been achieved through a drive for excellence and high-tech initiatives, for which the government has provided competitive university funding and more autonomy in recent years, may be lost once more. Ideological campaigns declare either that universities are not and should not be subject to economic rules, or express fears about standardised expectations, which are said to lead to a commoditisation of higher education.

Universities must deliver on accepted performance measures yet differentiate themselves sufficiently to attract scarce resources under competitive conditions.

Germany and the US face similar problems. So far the American and the German university system have learnt from each other in a time-delayed fashion. Now, due to mounting competitive and financial pressures, universities need to learn from each other simultaneously. University success is not about tearing down the ivory towers. Instead, it is about opening their windows as far as possible to other disciplines and to new markets.

While freedom of teaching and research must be defended, at the same time bridges for mutual transfers of knowledge and best practices have to be built.

We need Alexander von Humboldt's ideas to be applied to the 21st century. The university of the future is only viable if best research and best teaching go hand in hand with best knowledge transfers. To achieve these goals, universities need reliable funding to generate innovative ideas through research. Interdisciplinary links, a close integration with the environment (both social and natural) as well as research relevance are also necessary.

All this calls for a major cultural change on both sides of the Atlantic. For new scientific knowledge to be used more rapidly in universities and businesses, the university approach to knowledge generation, transmission and application needs to be rethought. More risk capital, new business models and efficient intermediary organisations are needed in order to build a bridge over the valley of death, in which so many basic research contributions have perished before they could become innovations.

Such efforts would be worthwhile. It is not only about wealth and employment; it is also about the development opportunities of each individual and the defence of intellectual freedom.

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