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## **European Opportunities and Institutional Embeddedness Transnational Actors in the European Higher Education Area**

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### **Introduction**

In their academic and intellectual orientations, universities historically have been international institutions. Communicating in Latin, scholars would wander from one place of learning to another. Nobody asked for their papers or bothered them with bureaucratic restrictions or academic qualifications. It was a spontaneous movement and not the result of planning. Although it is clear that the contemporary wandering scholar may be less footloose than in medieval times, international academic exchange and mobility have remained important aspects of university enquiry and teaching. In contradiction to its intellectual orientation, the universities' institutional environment has become very national, especially through the establishments of welfare states in the decades following World War II and the subsequent massification of higher education. The ties between national authority and university however already intensified in the course of the nineteenth and twentieth centuries (Neave 2000). Universities became instruments of states, they were regulated by them and governments provided much of

their funding. But, increasing and diversifying demands for higher education have pushed countries to find new modes of governance for their higher education sector. In general these new modes of governance stress efficiency, effectiveness and accountability and leave more leeway for universities to make their own choices. This increased autonomy, together with expanding opportunities for international exchange and communication, made the international dimension of the university an important topic again, both in the missions of universities as well as in research on higher education policies. In Europe, the nostalgic idea of the wandering scholar pursuing knowledge has over time transformed into the policy idea of the European Higher Education Area (EHEA). In this EHEA several actors have emerged that can be considered transnational. Examples of such actors are higher education consortia, which are groupings of universities that cooperate and exchange across borders. International higher education consortia can be defined as multi-point groupings of universities from three or more countries. They have a limited amount of members and membership is restricted to particular universities that are allowed by the other partners to enter the arrangement. Cooperation and exchange takes place in multiple disciplines and/or themes. The arrangements exceed loose cooperation, since an additional administrative layer is created above the participating organisations (Beerkens 2002).

In this chapter we will look at higher education consortia as transnational actors and we will make an attempt to relate the behaviour of such consortia to theories on European

integration. We will approach transnational actors as vehicles for transnational transaction and exchange, but at the same time acknowledge that transnational actors are composed of their constituent elements (in our case universities) which have developed in national institutional contexts. In other words, we will take a look *inside* transnational actors. Higher education consortia as transnational actors contain an inherent tension where they on the one hand face new opportunities due to ongoing European integration and on the other might be restricted in their behaviour since they have historically emerged and still operate largely in a very national context. The question of how transnational actors deal with the tension between the new opportunities that arise due to further European integration and the national embeddedness of their constituent elements is addressed in this chapter. In order to provide the background for the study, we will first shortly address the emergence of the idea of the EHEA. After this, we will introduce our theoretical starting points for looking at transnational actors. Here we draw mainly from theories on political integration on the one hand and sociological-economic or embeddedness theories on the other. On the basis of three cases we will attempt to arrive at more general conclusions on the way in which transnational actors operate and how they deal with the tension between European opportunities and institutional embeddedness.

## **Policy Background: the Idea of the European Higher Education Area**

The Action Programme in the Field of Education, which was approved by the European Council in 1976, marked the start of a formal European educational policy. In this programme a number of broad policy objectives were addressed among which were the promotion of closer relations between educational systems and cooperation in the field of education. Although resources linked to this programme were very limited, the activities did influence the design of later programmes and stimulated the development of many cooperative networks that would emerge after the adoption of this programme (Ceri Jones 1991). In that same year, the first Joint Study Programmes were established, which are now seen as the predecessors of the ERASMUS programme that started in 1987. During the latter half of the 1980s, further initiatives also emerged in the European domain. Examples include COMETT (promote cooperation between higher education and industry) LINGUA (improvement of foreign language competence) and TEMPUS (focused on the development of higher education systems in Central and Eastern Europe). ERASMUS however, can be seen as the flagship activity in the field of higher education (Van der Wende & Huisman 2004). This programme was aimed at and succeeded in boosting student and staff mobility and inter-organisational cooperation within the European Community (and later also included the EFTA countries and the CEE countries).

In the second half of the 1990s, the ERASMUS programme became part of the broader SOCRATES Programme. Although the core policy remained unchanged some important

shifts could be observed (Wächter et al. 1999). More priority was given to the internationalisation and Europeanisation of curricula which was thought to foster cooperation and strengthen the European dimension in higher education. One of the instruments used to aid this was the European Credit Transfer System (ECTS). Another main shift was of a geographical nature. Under the new programme, the number of eligible countries was significantly increased, mainly through the inclusion of countries from Central and Eastern Europe. In spite of these changes, cooperation remained hampered by the diversity in systems, qualifications and educational regulations of the member states. The subsidiarity principle prevents the European Commission from intervening in issues such as educational content and quality. Moreover, European intervention in such national issues was politically very sensitive (Van der Wende, 2000). Another issue that hindered the path to a more comparable structure of national systems was the emphasis placed on the preservation of diversity. Especially in the period where the resistance against globalisation emerged on a global scale, standardisation, homogenisation and uniformity obtained a negative undertone, while diversity and variety received more positive connotations. This set the stage for a more bottom-up approach, with the initiative shifting from the European to the national level. The ultimate product in this balancing act was the Bologna Declaration of 1999. According to the Confederation of EU Rectors' Conferences (CERC) and the Association of European Universities (CRE) this document 'is a key document which marks a turning point in the development of European higher education' (CERC/CRE 1999: 3). Instead of being

imposed by the EU, the declaration was signed by 29 countries from Europe as a commitment freely taken to reform their own higher education system or systems in order to create overall convergence at the European level. Its aim is to establish a EHEA and to promote the European system of higher education in the world. It proposes the adoption of a system of easily readable and comparable degrees, the establishment of a system of credits, and the elimination of all remaining obstacles standing in the way of free mobility.

Both the EU initiatives in higher education and research and the ongoing Bologna process have changed the institutional landscape of European higher education, adding several transnational associations, bilateral partnerships and multilateral groupings to the existing national landscapes. The wide and dense network of linkages that emerged through cooperation and exchange has provided European universities with the need for coordination and communication and for external positioning. The increasing entanglement of universities, faculties and departments or institutes and also of individual teaching and research staff, managers, policy makers and students has made transnational, inter-organisational arrangements in Europe at least more visible, if not more significant. The way in which they operate, and especially the way they deal with balancing the 'Europeaness' of the collective and the national institutional backgrounds of their constituent elements, will be investigated further in this chapter.

## **Transactions, Exchange and European Integration**

In studying integration processes in the European Union, a distinction can be made between schools of thought based on realist and functionalist assumptions. These assumptions focus on the ways of understanding the motivations, paths and outcomes of integration processes. The central question here is whether regional integration is the concerted pluralist articulation of national interests, or has it obtained the characteristics of a supra-national state, in which a new level of governance covers the region as a whole, not as individual nation-states. In the course of further European integration and the study of this process, the theoretical debate has centred around the intergovernmental-supranational dichotomy. Intergovernmental institutionalism stresses the role of states, and their pursuit of power and national interests. Supranationalism on the other hand, denotes a framework in which supranational factors possess a significant impact on the member states. Actors and institutions operating 'above' the nation-states acquire a degree of autonomy and become independent actors. The European political institutions are the most evident examples of such actors.

As explained in Bastiaan van Apeldoorn's chapter in this volume, the transaction based theory represents a return to the neo-functionalist legacy of Ernst B. Haas (1958, 1961). It however also incorporates the refinements of neo-functional theory by Joseph S. Nye (1970) as well as the transaction based theory of Karl Deutsch (1957). The basic starting

point of the approach is that the relative intensity of transnational activity causes shifts in the level of supranational governance. With this premise, the approach also allows for different speeds of transformation in different policy sectors. Different policy sectors may find themselves on different positions in the intergovernmental-supranational continuum. On this continuum, EU rules achieve higher degrees of clarity and formalisation, EU institutions gain more autonomy and transnational actors become more present and more influent. In intergovernmental politics, it are the national governments that mediate between societal actors and supranational organisations and rules. In supranational politics, 'transnational actors have a choice of fora in which to exert their influence. They may target national governmental structures (...) as well as supranational bodies and they may play one level of against the other.' (Stone Sweet and Sandholtz 1998: 10). They can thus intentionally act upon national governments and supranational institutions, but they can also unintentionally provoke further integration through an increase and/or intensification of transnational exchange. The need or the desire for more transnational exchange does not emerge in order to – intentionally – bring about further supranational regulation (need or desire can emerge out of sheer curiosity, pressures for efficiency, market imperfections, but also through – material or symbolic – stimuli from national governments or supranational institutions), but it will trigger supranational regulation if it is substantial enough. The expansion of transnational society thus pushes for supranational governance, which is exercised to facilitate and regulate that society. The approach shares with neo-functionalists like Haas (1958) the logic of institutionalisation



at the supranational level which implies that when supranational rules, supranational organisations and transnational society have emerged, these rules, organisations and transnational actors become active driving forces for further integration. The legacy of Deutsch is mainly situated in the emphasis that is placed on the role of exchange and transactions. Stone Sweet and Sandholtz (1998) agree with Deutsch that exchange across borders drives integration processes.

If the transaction based approach claims that transactions and exchange push for a higher level of political integration, and higher education consortia (and other transnational organisations) can be perceived as vehicles for transaction and exchange, it can be assumed that such transnational actors play a significant role in the integration process. The emergence of the idea of the EHEA confirms this. The mobility of students and staff, the exchange of ideas, expertise and knowledge and the transactions of credits and financial means between universities, have pushed forward the recognition that regulations, structures and policies in the field of higher education need to be fine-tuned. The focus on transactions and exchange legitimates a more economical approach to integration. Following economic-sociological and neo-institutional theories however, we also need to acknowledge that exchange takes place in a social environment. Although 'transnational exchange' is put forward as one of the core elements of the transaction based approach, the nature and the role of transnational actors remains rather unclear. Applying perspectives from economic sociology enables us to understand better how

transaction and exchange takes place and therefore provides us with a middle range theory on the operation of transnational actors and their role in European integration.

### **The Embeddedness of Transaction and Exchange**

Transactions, exchange, communications, or flows, do not take place in a vacuum, but in a particular context. The transaction based approach locates the development of European integration on a continuum. For the case of higher education, which has historically developed in a national context and is therefore very much embedded in national institutions, the national context continues to play a significant role. However, as we have seen in the previous sections, an increasing level of exchange of people, practices and ideas can be observed within the European Union and has led to the (idea of the) EHEA. It is claimed here that this causes a tension in the operations of transnational actors. Although such actors are transnational as a collective actor, their constituent elements, be they organisations or individuals, still have their national background in which they emerged and that has shaped their thinking and behaviour.

Transaction based theories on European integration thus see transactions and exchange as the main driver for further integration and economic sociological theories argue that exchange takes place in a social context. Therefore, looking at the constituent elements of transnational actors brings the process of integration back to the level of real actions of

real actors and therefore can be considered a microcosm for studying the impact of Europeanisation on universities (and other organisations). Since contemporary universities have developed in an environment dominated by national regulations, cultures, norms and organisational rules, the way this context has impacted on them cannot be ignored when they engage in international collaboration and exchange. The basic idea behind this line of thinking is related to the term 'embeddedness'. The notion of embeddedness was coined by Polanyi (1944; 1957) and has more recently been extended into what is now termed the 'new economic sociology' (Swedberg 1991). Granovetter (1985) argued for economists and sociologists to theorize economic action in ways that acknowledge its strong linkages to social structure. He argued that the economy is structurally embedded in social networks that affect its functioning. The concept of embeddedness is typically treated as synonymous with the notion that organisations and the economy are part of a larger institutional structure (Baum and Dutton 1996). Granovetter (1985) uses the term in a more specific way to mean that economic action takes place within the networks of social relations that make up the social structure. In criticism of this narrow conception, DiMaggio (1990, 1994) has argued that economic action is embedded not only in the social structure but also in culture. Zukin and DiMaggio (1990:14-22) make further distinctions between different kinds of embeddedness, including cognitive (i.e., structured regularities of mental processes), cultural (i.e., the role of shared collective understandings), political (i.e., the role of

social, political, and other non-market institutions), as well as structural embeddedness (i.e., contextualization of exchange in patterns of ongoing interpersonal relationships).

Perceiving transnational actors as vehicles for transnational exchange between national organisations or individuals uncovers the tensions that exist in such transnational arrangements. Our premise is that transnational actors as composite arrangements of national elements need to balance their operations. They need to exploit the opportunities that they face due to European integration and at the same time acknowledge that their constituent elements are restricted in their behaviour. In the case of higher education consortia this would mean that the constituent universities can exploit each others strengths and they can create economies of scale and scope. Through membership, universities can gain access to research facilities, to student markets, to local knowledge, to scientific knowledge, to financial resources, et cetera. In order for a consortium to gain synergy from this exchange there must exist a situation where universities have something to offer to each other. In other words, there needs to be complementarity between the constituent parts of the consortium. However, since we acknowledged that exchange (of knowledge and resources) takes place in a social context, the constituent parts also need to share similarities in order to cooperate. Institutional contexts of the constituent parts can be so different or incompatible leading to clashes in cooperation, which would leave the higher education consortium useless, since exchange can not take place. The other side of the coin thus demands the constituent elements of a transnational

actor to be compatible with each other. For transnational actors this means that they need to be organised and managed in such a way that they find the correct balance between difference and similarity, between complementarity and compatibility. The resources to be exchanged in higher education consortia are expressed in the portfolio of activities and projects agreed upon by a consortium. If in the implementation of projects, partner characteristics appear to be incompatible, the consortium needs to apply institutional coping mechanisms in order to reduce, avoid or solve problems due to dissimilarities, after which the endeavour to perform can proceed.

## **Operationalisation and Design**

Following our theoretical approaches, universities as constituent elements of transnational actors such as consortia are trapped in a paradox. On the one hand they face new opportunities due to collaboration and exchange with other universities and therewith push forward the wider processes of integration. On the other hand, they are very much embedded in their national and organisational context. They operate mainly under national legislation and they are shaped by national culture. Furthermore they have created their own organisational rules, norms and habits. We will examine this issue by first taking a closer look at three consortia and the way in which they balance the exploitation of new European opportunities and the national embeddedness of their members. A comparison of the three cases enables us to make more general statements on

such higher education consortia. These considerations lead to the hypothesis that higher education consortia will perform better if their constituent elements have similar institutional backgrounds, at least in those cases where such different institutional backgrounds have a negative effect on collaboration and exchange. In other words, the constituent elements need to show a considerable level of institutional fit in order to achieve their objectives. The empirical findings on these consortia are presented below and are based on a detailed analysis of consortia in Europe and Southeast Asia for a broader study on the tension between global opportunities and institutional embeddedness (Beerrens 2004). This analysis was based on interviews with persons that held central positions in these consortia and on questionnaires that were sent to all persons that were involved in activities of the consortia.

The questions that were asked related to performance (expressed by the importance and the attainment of objectives) and the institutional fit between the participating universities (expressed by the impact and the presence of institutional differences). The hypothesised relation between institutional fit and performance was tested through a questionnaire and further explored through interviews and document analyses. Performance was measured on the basis of an assessment of the perceived attainment (five point scale from 1/not successful to 5/very successful) of the formal objectives of the consortia weighed by the perceived importance of those objectives (five point scale from 0.2/not important to 1.0/very important). For each of the individual objectives this results in an assessment in

the range of 0.2 and 5. Institutional fit was measured on the bases of the assessment of perceived differences in six types of institutional forms between the partners in a consortium (on a five point scale from 1/homogeneous to 5/heterogeneous). These differences were weighed by the perceived impact of such differences (on a five point scale ranging from -1/negative impact to 0/no impact to +1/positive impact).

The six types of institutional forms are based on a classification of institutions developed by Ingram and Clay (2000) and extended by Ingram and Silverman (2002). Ingram and Clay claim that in neo-institutional thinking one can distinguish three classes of actors: individuals (or groups of individuals), organisations and states. Ingram and Silverman added 'civil society' as a fourth class. While institutions are typically categorized as formal or informal (North 1990, Nee & Ingram 1998), Ingram and Clay (2000) use a more fine-grained categorization based on two dimensions: who makes the rules (public or private entities) and how are they made and enforced (in centralized or decentralized fashion). On the basis of these two dimensions, they identify three types of institutions (excluding the possibility of public decentralised institutions. Ingram and Silverman recently extended these types by including the latter. On the basis of these two dimensions, they arrive at four types of institutions: (i) decentralised/private: norms, with social groups as chief actor, (ii) decentralised/public: culture, with civil society as the chief actor, (iii) centralised/private: rules, with organisations as chief actors, (iv) and centralised/public: law, with states as chief actor: states.

This typology makes evident that several sources of incompatibility can emerge. For the domain of ‘norms’ we will look at the conception of academic work and the character of the university (exemplified by its size, scope and age, which we regard as a source of diversity in university operations). For ‘rules’ we will look at two factors: the division of authority within the university and the formal organisational procedures. ‘Culture’ as an archetypical type of institution is accounted for through the issue of national culture and ‘law’ as a type of institution by the issue of national legislation and the organisation of the national higher education system.

## **The Case Studies**

We have looked at three higher education consortia: the ALMA network, the Coimbra Group of Universities and the European Consortium of Innovative Universities (ECIU). After an introduction to the cases, the general findings on performance and institutional fit will be compared. After this, we will look in more depth in the various mechanisms for managing the institutional diversity in consortia.

### *ALMA Network*



ALMA is a cooperative network of four universities in the Meuse-Rhine Euregion. This region forms the intersection between the most southern part of the Netherlands, the eastern part of Belgium and the western part of one of the German Länder, Northrhine-Westfalia. The network was launched in 1990, and at that time consisted of the University of Maastricht, the Rheinisch-Westfälische Technische Hochschule in Aachen (Aachen University of technology) and the University of Liege in French speaking Belgium. A year later, the Limburgs Universitair Centrum (LUC) from Dutch speaking Belgium joined the network. ALMA emerged in the 'Euphoria' of the early 1990s, a phenomenon that – through the Maastricht Treaty – especially was seized as an opportunity by the University of Maastricht. At the start, many projects focused more on collaboration in research than in education. A reason for the orientation on research was the dependency on Interreg subsidies. Projects eligible for Interreg needed to have a socio-economic impact on the region and collaboration in research seemed to be more successful in this respect than programmes focusing on mobility. Through the Dutch Programme on Cross-border cooperation in 1997, the network received a financial boost to develop projects outside the Interreg framework. Some of the major achievements of the cooperation between the ALMA universities have further developed outside the direct authority of the network. Examples of this are EURON, a European graduate school in Neurosciences , and the Transnational University Limburg, a joint venture between the University of Maastricht and the Limburgs Universitair Centrum.

The ALMA network was established on the basis of complementarity between the participating universities. To exploit this complementarity, ALMA has never envisaged close integration of activities, but has functioned as a coordinator and facilitator for local initiatives. The network however has changed strategies, structures and objectives to cope with insufficient exploitation of complementary resources and with sources of incompatibility. ALMA's core business in the beginning was the promotion of mobility, but this has developed somewhat disappointing due to a lack of interest on the side of the students. This disinterest was partly due to financial support regulations, but also to the fact that many students prefer more remote places. In general we can observe a somewhat low appreciation of ALMA by the respondents, which can be best explained by a lack of perceived institutional fit. The lack of fit is mainly caused by a perceived negative effect of several institutional factors, especially the centralised institutional types like legislation, organisational procedures and the division of authority in universities. Complementarity between the partners is sufficiently present but does not lead to higher performance. The reason for this could be that complementarity is not exploited sufficiently or that there might be a case of over-complementarity in the case of ALMA. This supports the idea that there exists a paradox between compatibility and complementarity, where a (excessively) high level of complementarity is accompanied by a (excessively) low level of compatibility.

### *Coimbra Group of Universities*

The origins of the Coimbra Group lie in a meeting held in 1985 at the Catholic University of Louvain where twelve universities from the old European university towns gathered to discuss the possibility of establishing strong cultural links. The participants in this meeting realised that, along with cultural links, common activities in the field of student and staff mobility might be particularly fruitful. This belief was strengthened by the subsequent creation of the ERASMUS programme by the European Commission. The Coimbra Group Charter was drawn up and signed by 19 participating universities in September 1987 during a general meeting at the University of Pavia. By 2003, the number of members has increased to 39 universities, now also including universities from Central and Eastern Europe. The Charter lays down the criteria for membership along with the general aims and purposes of the Group. In its existence of over 15 years, the Coimbra Group has strongly held on to its identity of a traditional, comprehensive academic community and has stuck to its objectives of facilitating and promoting intra-European mobility of students and staff. In its early years, its policies were very much geared to the upcoming and ambitious European schemes. The Group has played an important role in this pioneering stage of European integration in the field of higher education.

Of our three case studies, the Coimbra Group displayed the highest level of performance and the highest level of institutional fit. Membership of the Coimbra Group is based on the old, traditional and comprehensive nature of its members. Correspondingly, the data from the respondents show that the differences in the nature of the participating universities are rather small. It however also becomes apparent that the universities come from very different traditions, and that these differences sometimes slightly negatively impact cooperation. This is most evident for the legal national contexts in which the universities operate. The differences in organisational procedures and in the division of authority are also very diverse in the consortium. The diversity in national cultures is also assessed as high, although many see those differences as positive.

The Coimbra Group's activities focus on removing obstacles for cooperation for instance through mutual recognition and mutual exemption from student fees, but also through lobbying on the European level and through provision of information on differences between the systems, qualifications, methods, etc., used at its member universities. Furthermore, the Group tries to improve cooperation through the stimulation of the use of new technologies. For these activities it has set up an organisational structure which has remained relatively stable in the history of Coimbra, and which has recently been simplified. Many of the task forces, working parties and committees that emerged in the early years of Coimbra however remained to exist. The cooperation in the task forces, with their relative endurance in composition is valued very positively by its members.

### *European Consortium of Innovative Universities*

At a meeting of the European Rectors Conference (CRE) in 1996, the rector of the University of Twente at that time took the initiative to assemble a group of 'like-minded' universities to establish a consortium. This consortium should give the member universities an opportunity to position themselves strategically vis-à-vis their European and international environment. After consecutive meetings in Twente in September 1996 and in Warwick in April 1997, this ultimately led to the signing of a charter in Dortmund in November 1997, where ten universities decided to commit themselves to the European Consortium of Innovative Universities. The members are all from Western European countries . Roughly, the development of ECIU from 1996 until 2003 can be divided in three phases. The start-up phase, running from 1996 until 1999, was mainly marked by the preparation of ECIU and the search for suitable and eager partners. The core of ECIU at that time displayed a high level of trust between the leaders and managers. In this phase, the main areas for strategic cooperation were identified. The foremost reason for cooperation for the participating universities was the establishment of a strategic position vis-à-vis their external environment and was less based on internal exchange of staff and students. In the strategic plan for 2000-2002 that was developed in 1999, the total collection of activities was brought back to manageable proportions and several priority activities were selected. Also, there was a shift from highly ambitious to more realistic

objectives. Another change that took place was the shift from external strategic positioning to a mix of external and internal activities. In this second phase in the development of ECIU, from 1999 until 2002, many of the planned activities were realised. In the operational phases however, the consortium became exposed to problems due to different legislation in different countries and due to different and shifting levels of commitment. More recently, from 2002 on, a third phase has commenced. In this phase, the new 'ECIU Graduate School', improvement of student and staff mobility and university-industry interaction will become the future focus points of ECIU.

In ECIU, the employment of institutional coping mechanisms in order to solve obstacles or bridge differences has not been applied on the overall ECIU level. An explanation for this could be that partners were considered to be 'like-minded' from the start and that incompatibility would not be an issue. In general it has not focused much on changing the institutional fit between partners, but more on the complementarity of the partners. A final aspect should be noted here in relation to the below average performance of ECIU. This can to a certain extent be explained by the high ambitions of many of its objectives. The level of integration envisaged by the ECIU objectives (e.g. joint doctorates, joint research schools, joint accreditation) is higher than for the other consortia. But also in regular internationalisation activities such as student mobility, ECIU goes beyond the traditional objectives (e.g. by integrating mobility with international internships). Putting the stakes too high however, can also lead to a disinterest or distrust of people on the

work floor or of other partners. On the other hand, focusing only on mainstream activities would probably not result in the exposure of the opportunities in the consortium. More risky, entrepreneurial activities do result in the possibility that real sources of complementarity become manifest, even though this is likely to proceed in a process of trial and error, due to considerable institutional differences.

### **Comparison of the cases**

Institutional fit and performance do only show a significant correlation in the case of ALMA. The results indicate that a minimum level of compatibility is a precondition for successful collaboration in consortia. This claim is based on the results of the questionnaire (table 1) and the interviews that were conducted with persons that represented the consortia.

[TABLE 1 GOES HERE]

If we look in more detail at the different types of institutional forms, we arrive at the results of table 2. A statistically significant difference in institutional fit can be observed between ALMA on the one hand and Coimbra on the other. The table shows that the differences between ALMA and Coimbra can be largely explained by the relatively strong negative impact that ALMA respondents perceive as coming from legal differences and differences in the division of authority at the partners. Furthermore,

ALMA respondents on average see cultural differences as impacting cooperation in a negative way, while the other consortia see this as positive. The moderate level of institutional fit in ECIU can chiefly be explained by the perceived negative impact of differences in centralised institutional forms and the diversity of these forms in the consortium. Overall, it are the centralised types of institutions (national laws, organisational procedures and the formal division of authority) that constitute the main source of incompatibility. Previously however we claimed that the performance and institutional fit of these consortia are not static, but need to be managed, like in any other organisation.

[TABLE 2 GOES HERE]

### **Consortium Management and Institutional Diversity**

As we stated before, the level of institutional fit is not necessarily fixed. Consortia apply mechanisms in order to deal with sources of incompatibility and institutional mismatch. The consortia adapt their measures in accordance with the institutional forms that are the cause of incompatibility. Consortia deal in different ways with legal differences than with cultural differences, and differently with cultural differences than with procedural differences.



Where national legal differences and the differences in higher education systems present obstacles in cooperation, consortia seem to be relatively powerless, since they are not in the position to change such laws or systems. A closer look however reveals that some of the consortia have been active in handling such obstacles. This has been most apparent in the case of Coimbra. This consortium (sometimes in cooperation with other European consortia) is active in lobbying on the European level. In broad European developments, such as the Bologna process, the consortium is actively involved or active in influencing (national) opinions through their personal contacts and the publishing of statements and recommendations. In ALMA this has also been the case, although more on a bilateral level. National legal frameworks were adjusted and a bilateral treaty was concluded to enable the establishment of a transnational university (although the two individual institutions played a more substantial role in this than ALMA as a whole). In a more indirect manner, the frequency of cooperation and exchange in Coimbra (mainly in the framework of ERASMUS and SOCRATES) has made European authorities aware of obstacles that arise due to incompatibility of national regulations and thereby contributed to the process of European integration in higher education. This of course is a consequence of European cooperation and exchange in general and not just of Coimbra, although Coimbra is large enough to have had a substantial influence on this process. ALMA uses similar tactics, although they rarely act at the pan-European level but more on a multilateral and Euregional level. ALMA is fairly embedded in Euregional society and politics through their relationships with local business and local/provincial

governments. However, the authority of such actors on national regulations is limited. ECIU is relatively inactive in exerting influence at a European level.

National regulations often do not so much obstruct exchange and cooperation but raise additional barriers that require extra administrative tasks and knowledge about other systems. Such tasks (e.g. recognition of study periods) increase transaction costs in cooperation. Consortia can be a way to institutionalise cooperation between a particular group of universities and in that way can create structures that minimise transaction costs. Frequent cooperation within the framework of a consortium avoids the need to perform specific tasks or gain specific knowledge over and over again. The Coimbra Group has set up such structures through its Task Forces and through the informal relations that have grown between international relations offices. The most obvious example for this however, is the exemption of tuition fees for intra-consortium mobility of students (although this is now regulated on a European level). This is also a feature of ECIU's Student Exchange Programme. However, tuition fees cannot be regarded as part of national regulations in all countries since in some universities or countries they can also be determined by universities themselves, and therefore need to be classified under the centralised private institutions or organisational rules.

Differences in such organisational rules and procedures also provide obstacles in the cooperation. With regards to exchange of staff and students as well as cooperation,

specific organisational rules can frustrate activities in a consortium either through ignorance or lack of information, or also because specific organisational procedures just do not match. The former issue is often coped with through the provision of information and facilitating opportunities for staff to get to know one another's universities. Especially in cases where terminology used at the different member universities creates confusion, the provision of information, as happened in Coimbra, can be a simple way to create clarity. From the respondents from Coimbra, it became also apparent that the regular meetings and the relatively stable composition of the Task Forces created a very positive stance on these groups. The fact that Coimbra is more structured and that its structure has remained stable, has created networks of personal relationships within the consortium. Such networks seem to be beneficial for the exchange of information, but also for the commitment of persons to consortium activities. Obvious examples of organisational differences that create obstacles for exchange are academic calendars and credit systems. A first step in dealing with such obstacles is acquiring knowledge about each others calendars or systems. ECIU has dealt with this through the provision of 'fact sheets' with (references to) the required information for students. Obstacles due to the differences in credit systems have also been acknowledged by the consortia. In the case of Europe, a collective solution to this problem was found in the European Credit transfer System.

The latter mechanisms constitute a level of cooperation that already is a step further than information exchange. When knowledge about each others organisation does not sufficiently alleviate the obstacles, member universities need to mutually adjust to each other. What becomes clear in the case studies is that, when cooperation enters this level, many universities back away. This is partly related to the fear or unwillingness to loose autonomy that we observed earlier. What can also be observed is that member universities might not be willing to come to mutual adjustment because they would see this as a decline of the quality of their own organisational procedures. A statement of one of the respondents illustrates this: ‘the culture of “we are the best” certainly hinders true academic communication and progress’. Steps toward mutual adjustment have been taken by some consortia, but have proven to be difficult to realise. In the case of ECIU, the ECIU Quality review System can also be seen as a step to mutual adjustment. Although this has been successfully set up in the first years of the ECIU, until now it has failed to be implemented on an ECIU-wide basis, and therefore has had little impact on the actual operations in its member universities. In general we can conclude that mutual adjustment is used as a mechanism to cope with organisational differences, but that it frequently fails in the implementation phase.

If mutual adjustment is taken one step further, this results in the possibility of the creation of separate organisations or joint ventures. Such new organisations incorporate the organisational differences and this will in time (optimistically) lead to assimilation of

sources of diversity. Considering the problems that are being faced with mutual adjustment, it does not come as a surprise that these mechanisms are not frequently used. In ALMA it has however taken place on a bilateral basis with the establishment of the Transnational University of Limburg. This organisation is set up in a way that national differences and organisational differences are incorporated in one organisation, so that the partners in cooperation fall under a bilateral regime and, in legal terms, under one organisational regime. This University has an autonomous legal status, although it is clearly entangled with the two parent organisations, both in terms of governance and the location of facilities. A similar structure has been applied by the ECIU Graduate School. Unlike the Transnational University of Limburg, this school is not a legal entity. ECIU however does consider the possibility of creating separate private organisations in those cases where national or organisational differences with regard to educational regulations or fees constitute obstacles. Joint Masters Programmes are now for instance offered by the Graduate School, but the establishment of a separate private organisation to offer these Joint Masters is not ruled out for the future. Such joint ventures would demand substantial commitment from the partners, a characteristic that was not highly assessed in ECIU. Coimbra has never displayed any real aspirations in setting up joint ventures.

The case studies have shown that the centralised institutional forms (e.g. national law, organisational rules and procedures) present the most difficulties and are the main causes for a lack of institutional fit between the members in the consortia. It is therefore not

surprising that the consortia mainly employed coping mechanisms to tackle problems due to national and organisational procedures and regulations. In some cases it is difficult to distinguish between public/national institutional differences and private/organisational institutional differences. This is related to the fact that some universities are more tightly controlled by national governments than others. In some cases for instance, the issue of tuition fees is related to national regulations, while in other cases universities are free to set these tuition fees. In general we can observe that the employment of coping mechanisms becomes more complex in the cases where a higher level of integration of activities is envisaged. On the other hand, these are the areas where concrete coping mechanisms such as measures for mutual adjustment or the establishment of separate organisational structures are most needed.

Problems caused by differences in decentralised institutional forms like culture, norms and beliefs were perceived as less crucial. In many cases, differences in national, organisational and professional cultures are even perceived as positive or at least as a positive challenge. This observation is rather contradictory to much of the international management literature on international consortia and international strategic alliances. This could be a specific characteristic of inter-university cooperation compared to general inter-organisational cooperation. Universities in general (at least in Europe) also see themselves as carriers of national cultures and therefore cultural diversity might be valued higher than in the business sector. Learning about each others cultures can in this

respect be seen as a core academic value and in turn, cultural diversity may become a source of complementarity in a consortium. An additional explanation might come from the coping mechanisms that are used in the consortia. In the case of the more intangible institutional forms like culture, norms and beliefs however, mechanisms are not aimed at mutual adjustment or integration but mainly at the process of becoming acquainted with different cultures and habits and the recognition of those differences. This does not so much take place in the form of (acculturation) courses or written information but seems to be more successful in a process of 'learning by (frequent) doing'. Support for this claim is provided by activities in the Coimbra Group. Because of their consistent and stable nature of their sub-structures (Steering Committee, Task Forces) there is a high level of interaction between the persons involved, both face-to-face and through new technologies. Through frequent interaction, persons get better acquainted with each other and with each other's norms and habits. Coimbra has also established a task force for cultural diversity. The benefits of frequent interaction in order to get to know each others (university) cultures have also frequently been mentioned by respondents to the questionnaires.

If we include language as an expression of culture and thereby as a part of the public context, we can detect some more concrete coping mechanisms. In general, coping with problems due to linguistic differences has led to one solution that has been applied everywhere: the use of the English language. In all consortia this has officially become the working language, even though other languages are used sometimes in smaller settings. This measure has proved successful in most cases in all consortia.

Universities also offer courses in other foreign languages for students or staff members who want to spend time abroad.

What becomes apparent from the case studies is that the personal and organisational relationships play a decisive role in cooperation. Even if there is an institutional fit between the members, this was not always a guarantee for success. It has mainly been in the cases where individuals were satisfied with the relational themes where the consortium objectives were seen as relatively successful. This implies that these relational issues should also be of concern to consortium management. The question then becomes: what have consortia done to improve the relationships between individuals and organisations. In general, three broad methods can be distinguished on the basis of the case studies: sufficient communication, a clear organisational structure and the stimulation of commitment among the members.

The improvement of communication at the consortium level can be rather straightforward, for example through regular newsletters and updates on activities. On the project level this can take place through for instance mailing lists, but also through providing the opportunities for more frequent face-to-face meetings. These measures are especially apparent for Coimbra. This consortium has issued newsletters on a regular basis and has facilitated regular meetings of its sub-units. Furthermore, coordination can also be supported through a clear organisational structure, where the tasks and



responsibilities of the various sub-units are clear and known by the persons involved in consortium activities. Coimbra provides the best support for the argument that a clear organisational structure is necessary. The stability and the transparency in the organisational structure have led to a high assessment of the coordination of Coimbra as a whole. Most of the Task Forces in Coimbra have existed for a long time and in many cases the composition of these groups has remained rather stable. This creates a situation where people know each other and know what they can expect from each other. Several respondents of Coimbra pointed to the high commitment and effectiveness of the work that is being done in the task forces. In the case of ALMA, activities are more based on content and of a temporary nature. Accordingly, bodies set up for those activities are also of a temporary nature and, after projects are initiated, operate rather independently from ALMA. ECIU on the other hand has set up a structure that entails both project related groups and more generic permanent bodies. The latter are the Thematic Working Groups of ECIU, but in these groups there seems to be a lack of consistency and commitment in comparison to the Coimbra Task Forces. The fact that these Coimbra Group Task Forces have existed substantially longer than the ECIU working groups, can (partly) explain these differences.

This takes us to the final relational issue: how to stimulate commitment between individuals. Commitment between individuals arises from trust and familiarity between the people involved. The qualitative data point to the existence of processes of

socialisation among members in specific bodies within the consortia. Socialisation is generally defined as the process of inducting actors into the norms, rules, and ways of behaviour of a given community (Checkel 2003; see also Frank Schimmelfennig's chapter in this volume), and can be seen as a condition for commitment to materialise. When frequent meetings take place, where there is sufficient communication, and where there is a relative stability in the people involved, a process of socialisation can emerge. What seems to be the case is that such processes flourish better in small groups. Commitment between the member organisations thus becomes more likely if this arises in a bottom up way. It starts in smaller groups and then reflects on other levels in the consortium. Also cooperation between a limited number of members, instead of all members, can increase the commitment, since members that are not committed to a specific type of activity are not 'forced' to take part.

### **Conclusions: Transnational Actors as Organisations**

In conclusion, we argue that the management of transnational actors or organisations is a combination of employing mechanisms for increasing institutional fit in combination with 'relationship management', that is the facilitation of the rise of commitment through communication and organisation. Obviously the more complex mechanisms have a more substantial influence on cooperation, but also require higher levels of trust and commitment between members. The lack of willingness or ability to be involved in close

and intense cooperation is related to the institutional contexts in which the universities operate and have developed. We have used this institutional perspective to support the notion that members in a consortium also have to share some similarities in order to cooperate. This proposition was based on the assumption that universities are, much more than for instance firms, embedded in their (nationally and organisationally moulded) institutional contexts. The study has shown that this assumption does not have to be rejected. The impact on cooperation is however less straightforward than we expected.

We have seen that different institutional forms influence cooperation in different ways. In all consortia that we have studied, the impact of centralised institutional forms such as national laws and organisational rules were perceived to have a negative impact on cooperation. This was much less the case for decentralised institutional forms like culture, norms and beliefs. The latter were seen by many as one of the interesting factors involved in cooperation. Academic and cultural diversity therefore can – with the right attitude – be a main source of complementarity instead of incompatibility. We have also observed (see Beerkens 2004) that non-academics seem to place more emphasis on the institutional differences in their assessment of the performance of the consortia (while academics seem to place more emphasis on complementarity factors). This would mean that the institutional embeddedness of the university is more apparent in the eyes of non-academics than for academics. This could be explained by the reasoning that the

activities on which academics cooperate are of a more universal nature than is the case for non-academics.

In general, we saw that there is not a strong relationship between performance and compatibility. Only in cases where institutional fit between the universities is perceived as low, has this hampered cooperation. This leads to the conclusion that a minimum level of institutional fit is required, but that universities and their staff are very well capable of handling obstacles that arise due to incompatibility. On the other hand we also observed that most consortia do not pursue very close cooperation and tight integration. It is likely that if the intensity of cooperation increases, the discrepancies in institutional contexts will become more apparent and obstructive to cooperation. In this regard it is useful to remain focused on compatibility factors in cooperation, especially in cases where tight integration is foreseen, such as (private) joint ventures set up by universities from different countries and (future) mergers between higher education institutions from different countries.

The results do not necessarily point to a convergence of the institutional contexts of universities. On the contrary. The differences in national institutional contexts are still widely apparent and still substantially influence the activities of universities in the eyes of the respondents in this study. What can be observed however is that universities also become embedded in regional contexts (i.c. the European context). Naturally, this

regional institutional context is likely to become a bigger influence in the case where regional institutions are stronger. Even though the national context is evidently predominant, for European universities the regional European context has an increasing influence on a university's behaviour. The consortia that were very much connected to regional (political) institutions and that had adapted their activities to the programmes and policies (and the available funding) of these institutions (e.g. the European programmes for mobility and cooperation), seem to be more successful. Therefore, as in organisational studies, where adaptation to the external environment of organisations is seen as an important determinant in an organisation's performance, this argument can be extended to consortia as well: European higher education consortia that adapt to their European environment are more successful. Internally, higher education consortia can also be approached from an organisational point of view. If we look at higher education consortia as a specific type of organisation, we can detect characteristics that are also typical for universities. Van Vught (1989: 52-54) in this respect points to the authority of professional experts, the knowledge areas as the basic foci of attention and the related organisational fragmentation, and the extreme diffusion of decision making power. These characteristics are also apparent in higher education consortia. The leadership driven character of these consortia can then partly explain the dissatisfaction found by academics within them. Activities that correspond with values in 'academia' (e.g. cross cultural exchange, exchange of knowledge) therefore seem to be more successful than activities that emerged out of pressures for efficiency and effectiveness.



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**Tables:**

**Table 1: Performance, Institutional Fit and the correlation between them**

	ALMA	Coimbra	ECIU
Performance	1.85	2.65	1.91
Institutional Fit	-0.63	0.03	-0.27
Correlation (Performance - Institutional Fit)	.424*	-.042	.047

\* Pearson R = significant for  $p < .05$

**Table 2: Institutional Fit for the different institutional forms**

	ALMA (N=27)			Coimbra (N=64)			ECIU (N=42)		
	I <sup>a)</sup>	H <sup>b)</sup>	IF <sup>c)</sup>	I <sup>a)</sup>	H <sup>b)</sup>	IF <sup>c)</sup>	I <sup>a)</sup>	H <sup>b)</sup>	IF <sup>c)</sup>
Differences in conceptions of academic work	-0.04	3.67	-0.15	0.03	2.74	0.11	0.01	3.27	0.09
Differences in the character of universities	0.07	3.87	0.41	0.14	2.58	0.36	0.07	2.93	0.23
Differences in national culture	-0.02	3.50	-0.15	0.31	3.84	1.25	0.13	3.69	0.44
Differences in the division of authority	-0.24	3.68	-1.04	0.02	3.56	-0.01	-0.13	3.47	-0.42
Differences in organisational procedures	-0.17	3.86	-0.78	-0.08	3.46	-0.43	-0.17	3.67	-0.50
Differences in legislation	-0.48	4.21	-2.19	-0.28	3.67	-1.19	-0.44	4.00	-1.70
<b>Overall Institutional Fit</b>			<b>-0.63</b>			<b>0.03</b>			<b>-0.27</b>

a) I = Impact; -1 = negative impact on cooperation; +1 = positive impact on cooperation

b) H = Heterogeneity; 1 = homogeneous; 5 = heterogeneous

c) IF = Institutional fit = Impact \* Heterogeneity, where a higher score means a better fit. Note that in this table 'Institutional fit' does not exactly equal 'Impact' x 'Heterogeneity'. 'Impact' and 'Heterogeneity' are multiplied for each respondent separately. The mean in this column thus is not the product of the means of 'Impact' and 'Heterogeneity' but the mean of all individual products of 'Impact' and 'Heterogeneity'.