The Challenge and Opportunity of Change:

An Action Agenda to Prepare Higher Education for the 21st Century†

1. **Determine those key roles and values** that must be protected and preserved during this period of transformation, e.g.,

   **Roles:** education of the young, preservation of culture, basic research and scholarship, critic of society, etc.

   **Values:** academic freedom, a rational spirit of inquiry, a community of scholars, a commitment to excellence, shared governance (?), etc.

2. **Listen carefully to society** to learn and understand its changing needs, expectations, and perceptions of higher education, along with the forces driving change.

3. **Prepare the academy for change and competition,** e.g., by removing unnecessary constraints, linking accountability with privilege, redefining tenure as the protection of academic freedom rather than lifetime employment security, etc. Begin the task of transforming the academy by radically restructuring graduate education.

4. **Restructure university governance**—particularly lay boards and shared governance models—so that it responds to the changing needs of society rather than defending and perpetuating an obsolete past. Develop a tolerance for strong leadership. Shift from lay boards to corporate board models where members are selected based on expertise and commitment and held accountable for their performance and the welfare of their institutions.

5. **Develop a new paradigm for financing higher education** by first determining the appropriate mix of public support (i.e., higher education as a “public good”) and private support (higher education as a personal benefit). This should include a full accounting of both direct public support (e.g., appropriations, research grants, and student financial aid) and indirect public subsidy (e.g., “tax expenditures” currently represented by favorable tax treatment of charitable gifts and endowment earnings and distributions). Furthermore, consider key policy issues such as:

   • The appropriate burdens borne by each generation in the support of higher education as determined, for example, by the mix of grants versus loans in federal financial aid programs.

† A “homework assignment” submitted by Jim Duderstadt to Stan Ikenberry (Glion, Switzerland, May 15, 1998)
• The degree to which public investment should be used to help shape powerful emerging market forces to protect the public purpose of higher education.

• New methods for internal resource allocation and management that enhance productivity.

6. **Encourage experimentation** with new paradigms of learning, research, and service by harvesting the best ideas from within the academy (or elsewhere), implementing them on a sufficiently scale to assess their impact, and disseminating their results.

7. **Place a far greater emphasis on building alliances** among institutions that will allow individual institutions to focus on core competencies while relying on alliances to address the broader and diverse needs of society. Here alliances should be encouraged not only among institutions of higher education (e.g., partnering research universities with liberal arts colleges and community colleges) but also between higher education and the private sector (e.g., information technology and entertainment companies). Differentiation among institutions should be encouraged, while relying upon market forces rather than regulations to discourage duplication.

A few final observations:

• The key to the action plan is to focus on the transformation of the entire higher education enterprise rather than upon a particular institution or institutional type.

• While open debate should be encouraged and facilitated, specific actions may require the use of “the Gutenberg principle”, i.e., using a nonthreatening and familiar issue such as the library to disguise more radical change.

• We need to retain the confidence and support of key allies and constituencies, e.g., the corporate sector, the press, and selected political leaders.

• Far more sophisticated public relations efforts are necessary (including polling), both to learn the views of our many publics and to regain public confidence and trust.