

Claire Lightowler²¹University of Manchester, UK, ²Institute for Research and Innovation in Social Services (IRISS), UK**Incentivising Knowledge Exchange: A comparison of vision, strategies, policy and practice in English and Scottish Higher Education (0170)**

Increasingly universities, and the academics within them, are being encouraged to strengthen their engagement with the world outside as national governments seek 'return on their investments in research' (Meagher et al, 2008: 163). Depending on the stakeholders engaging with universities, the academic discipline, the purpose of the engagement and personal preferences, this type of activity can be labelled as "Knowledge Exchange", "Knowledge Transfer", "Third Stream Activity", "Impact", "Public Engagement", "Commercialisation" or a multiplicity of related terms. Here we use "Knowledge Exchange" as a catch all term for this range of activities and approaches because it highlights the increasingly prevalent two-way *exchange* of knowledge between academia and the outside world.

Despite growing interest from policy and research communities, there is a dearth of empirical evidences on how these expectations, policies and transformations affect institutional practices and their strategies. There is also a lack of empirical knowledge and rigorous analytical framework to investigate how effective national and sub-national policies are in this area. Initially, the project sets this transformation of the role of higher education in the UK over the last 30 years from a historical perspective with changing economic rationales, policy drives and institutional and individual strategies for 'Knowledge Exchange'. Secondly, the project focuses on the diversification of policy and institutional governance and management mechanisms within the UK higher education sector, through devolution processes and new funding mechanisms. Thirdly, through our empirical investigation, we will shed comparative and critical lights on higher education policy and institutional practices concerning incentivising 'Knowledge Exchanges' and identify methodological issues for evaluating their impact on wider society.

During the 1980s, there was initially an economic incentive for individual universities to raise external revenue, diversify funding sources, and protect the autonomy. The importance of generating commercial income was brought to the fore in the 1990s, when there was a significant fall in funding per student: between 1989 and 1997 there was a drop of 36 per cent in public funding of teaching in England (Deem, 2004). Institutions sought to generate more income from non-governmental sources, typically referred to as *third stream* funding. Here the idea of the third stream is used to signal an additional source of funding, as contrasted with the two primary sources of university funding: teaching and research (Pilbeam, 2006; Shattock, 2003). This resonates with the concept of an 'entrepreneurial university' (Clark, 1998; 2001) in an international literature. Under the New Labour government since the late 1990s, the UK government has used a series of policy initiatives and sizeable funding streams which seek to create closer relationships between universities and wider society (e.g. Lambert Review), characterised as "the steering of the universities to contribute systematically towards achieving economic and social goals and objectives" (Nedeva, 2008, p.85). Since the 1990s, additional public funding has been allocated to advance university engagement with the business sector and wider community. In recent years, it is increasingly common to acknowledge that knowledge generated in the wider community has intellectual relevance within the university, and that the idea of exchange signals this two-way dialogue rather than one-way traffic (Hambleton, 2007). A recent study conducted in England for HEFCE illustrates a variety of institutional mechanisms that HEIs have developed to promote 'knowledge exchange' activity by integrating into their mission (PACEC, 2008). This is reflected in new incentives and rewards mechanisms within universities.

The effects of devolution on higher education, research funding and the management of knowledge exchange are areas of growing policy interest (Universities UK, 2008). Devolution processes also seem to be implicated in promoting knowledge transfer and exchange at HEIs as part of innovation and science-based regional development mechanisms as identified in Wales and Scotland (Huggins and Kitagawa, 2009). Scotland, in particular, has developed distinctive institutional mechanisms as part of the political devolution process. Other knowledge-based interactions increasingly take place

between academia and public communities (SFC, 2007). Under the new Coalition government in the UK, there is a new economic pressure for universities to increase private sources of funding, which may influence institutional strategies for third stream and knowledge exchange activities. This has to be examined in light of a distinctive difference between England and Scotland higher education sectors in terms of different funding principles and mechanisms between the sectors, most eminently in the new tuition fees prospective.

The paper will involve investigating the following principal research questions:

- What are the similarities and differences in terms of vision, strategies, policy and practice for 'Knowledge Exchange' in the Scottish and English higher education sectors?
- What strategies, policies and practices to incentivise knowledge exchange activity have developed within the funding councils, research councils and across different HEIs in Scotland and England?
- In what ways can we capture the impact of these policies and initiatives; what are the constraints?
- What is the future likely to hold for knowledge exchange in England and Scotland, especially given a new fee prospective?

The paper is based on documentary analysis, interviews with key policy leads involved in KE policy development in Scotland and England; and a limited number of case studies at the institutional level. The case studies involve a combination of documentary analysis and a small number of additional interviews with KE representatives based in specific HEIs.

By identifying, exploring and comparing efforts to incentivise and support knowledge exchange in England and Scotland, this paper provides an insight into the role of the university and the nature of the relationship between academia and wider society in the devolved UK higher education systems.