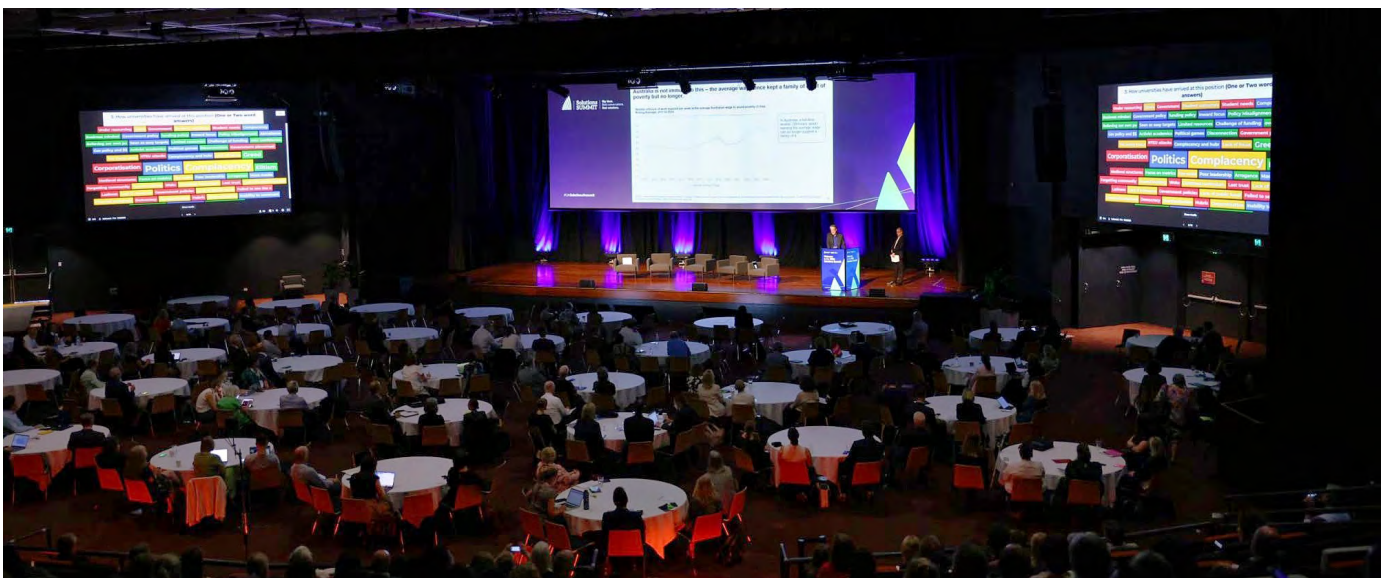


Rebuilding Universities’ Social Licence

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Introduction

Universities remain among the most influential institutions societies have created. They educate future generations, generate knowledge that advances humanity, and help drive economic development.

Yet the environment in which universities operate is changing profoundly. Public expectations are rising. Governments face fiscal constraints. Technological disruption is reshaping research and learning. And in many countries, universities are finding themselves drawn into wider political debates about the role of institutions in society.

At the Universities Australia Solutions Summit in Canberra in February 2026, Professor Rufus Black (Vice-Chancellor of the University of Tasmania) and Dr Nick Fowler (Chief Academic Officer of Elsevier) led a session exploring the concept of universities’ “social licence to operate” — the degree of trust and legitimacy granted to institutions by society.

This report distills the insights from that session, combining perspectives from academic, government and business leaders captured through live audience polling with global data analysis and case studies of emerging institutional models. The analysis resonated strongly with leaders in the room, many of whom recognised the dynamics described in their own institutions and systems. This report aims to share these insights from the session more widely to contribute to the global debate on universities’ role, trust and public value. It is structured in line with the three questions posed in the session:

1. What is the current position of universities in society?
2. How did universities arrive at this position?
3. How can universities strengthen their social licence in the decades ahead?

1. The Position of Universities in Society

Declining public trust

Across many countries, confidence in universities has declined over the past decade. For example, Gallup data in the United States shows public confidence in higher education falling from **57% in 2015 to 42% in 2025**. Similar patterns appear in Europe and Australia.

Drivers of declining trust include:

- Perceptions of universities as disconnected from societal concerns
- Rising tuition fees and student debt
- Political controversies around free speech and research priorities
- Questions about graduate outcomes

These pressures are occurring simultaneously with increased expectations that universities will contribute to economic growth, technological innovation, and societal problem-solving.

Leadership perspectives

Data from Elsevier’s global survey of university leaders (“View from the Top”) highlighted the scale of the challenge. Leaders reported that almost every major issue facing universities is simultaneously a high priority, from research funding to cybersecurity and talent retention, yet many feel under-prepared to address them (see examples in the table below).

Issue	% high priority challenge	% well-prepared to tackle it
Talent retention	80%	27%
Cybersecurity	82%	45%
Research funding	84%	49%

The *View from the Top* report was produced before last year’s change in US administration. Since then, especially in the US, the issues have become even more acute.

Audience perspectives

Live polling during the conference session showed that the audience agreed that universities’ social licence is under pressure. More than four in five respondents agreed that the sector risks losing public and government trust.



Figure 1. Audience polling results — % agreeing (score 4–5) with each statement

Responses indicate that session participants view the university sector as a whole as being at risk of losing public and government trust to a greater degree than their own institution.

Similarly, almost two-thirds of session participants agreed universities focus too much on global rankings relative to local impact, while a smaller proportion said the same of their own institution.



2.

How Universities Arrived at This Position



The Imperative of Scale

The story begins in the late 1980s and early 1990s. As developed economies shifted toward skills and knowledge-intensive service industries, governments needed to educate populations at scale. That required larger institutions, more of them, and eventually online delivery to reach those already in the workforce seeking to reskill. For many universities, the age profile of their student body changed fundamentally as a result.

The Cost Spiral

As governments confronted the rising cost of this expansion, they shifted the burden to students, making education an increasingly expensive proposition. The remaining public costs kept growing regardless. The response was a gradual per-head reduction in government funding, which drove universities to pursue international students to fill the gap. This triggered a Red Queen dynamic: chasing rankings to attract international students, which required yet more international students to fund the chase, which required yet more research to climb the rankings.

The Human Cost of Scale

These forces produced truly vast organisations. And vast organisations can easily lose the collegial, human character that once defined them. Staff and student experience suffered. Managerial systems struggled to keep pace with scale, producing bureaucracy on good days and serious failures (like systemic underpayments) on bad ones. Beneath the growing dissatisfaction of academic staff lay a deeper tension: the tools developed to govern billion-dollar enterprises came with values and ways of working that sit in conflict with the traditions of academic self-governance.

Social Issues Without Social Answers

As student populations grew and became more representative of the broader community, the social problems present in that community (gender-based violence, racism and more) became more visible within universities. These issues rarely received the attention they deserved, in part because non-residential universities with limited contact hours have only a very partial claim on students' time and attention. The problems were real; the institutional capacity to address them was not.

A Public Left Behind

While universities were growing, the circumstances of the genuinely middle class and lower socioeconomic deciles were stagnating or going backward. Helped by neither left nor right, those communities became disenchanted with institutions they could not see working for them — especially institutions that appeared to be run by people doing well out of the arrangement, while underpaying staff and failing to protect students. Populist movements have exploited that disenchantment with considerable effect, targeting universities as emblems of a progressive elite disconnected from the values and concerns of large parts of society. That characterisation is not entirely fair — diversity of thought is, after all, exactly what universities are for — but it has proved potent.

A Research Model Focused Without Adequate Focus on Outcomes

The loss of popular support was matched by a loss of policy support. University research models have historically been organised around outputs (publications, prestigious academics, citation counts) rather than outcomes. Successive reviews of research and innovation in Australia have highlighted weak commercialisation and posed an awkward question: why is productivity so low when public investment in university research is so high? Rankings schemes have reinforced the problem by rewarding the wrong metrics.

Nobody's Friend

The cumulative result is that universities have become, in a real sense, nobody's friend: unloved by students, staff, policymakers, and politicians alike. The only constituency that has retained some affection for them is the corporate sector, which understands that a knowledge-intensive economy requires university graduates — though even business regularly notes that those graduates are not workforce-ready. And in a populist age, being seen as the partner of corporations is hardly a recipe for public credibility.

Audience perspectives on the causes

In response to the question “How did the sector get to where it is today?” participants see the erosion of universities' social licence as the result of both external pressures and internal drift, with several themes emerging:

- **Complacency and internal culture (14 mentions)** – internal drift and inward focus.
- **Government and political environment (13 mentions)** – policy pressure and politicisation of higher education.
- **Leadership and governance (8 mentions)** – concerns about leadership quality and executive structures.
- **Disconnect from communities (8 mentions)** – weakening engagement with local communities.
- **Funding and resources (6 mentions)** – declining public funding and financial pressure.
- **Corporatisation and marketisation (6 mentions)** – managerialism, metrics and commercial incentives.
- **Structural or system issues (6 mentions)** – higher-education system design and incentives.
- **Ideological and cultural issues (3 mentions)** – tensions around values and universities' societal role.

Taken together, the audience responses suggest that leaders see the erosion of universities' social licence as a multi-faceted problem shaped by the interaction of political and system pressures, and institutional choices relating to leadership and engagement with society.

“How did the sector get to where it is?”

Top 10 answers



3.

Where Universities May Go From Here

Despite these challenges, universities are actively exploring new models that emphasise societal impact and collaboration. Several emerging approaches illustrate how institutions are rethinking their role in society and developing new strategies to increase their societal impact.

The session discussed several models, drawing upon presentations given at an international meeting of Academic Leaders, hosted by Elsevier in London in September 2025. An overview of models discussed is below.

The Civic University

Originating in the United Kingdom, led initially by Sheffield Hallam University, the Civic University movement encourages institutions to embed their mission within local communities.

Key principles include:

- Place — prioritization of local needs
- Public — evidence-based identification of local needs
- Collaborate — with other universities and anchor institutions
- Measurement and impact — to be clear what Civic Universities do and demonstrate their progress

More than two dozen UK universities have now signed Civic University Agreements with their regions.

The Merged-for-Purpose University

Another response emerging in the sector is the merged-for-purpose university. This model reflects the idea that institutional mergers can create an opportunity not simply for scale, but for strategic redesign of education and research around societal and economic needs.

A prominent example is the merger of the University of Adelaide and the University of South Australia, which together are forming the new Adelaide University. Leaders involved in the process describe the merger as an opportunity to redesign programs, research priorities and partnerships so that the combined institution is better aligned with the needs of South Australia's economy and society.

Analytical work undertaken with Elsevier examined how the research strengths of the two institutions align with the state's economic priorities. This type of analysis enables the merged university to identify areas where it can focus investment to maximise impact, particularly where regional needs intersect with existing research capability.

The merged-for-purpose model therefore emphasises strategic alignment, scale and impact: combining institutional capabilities in order to strengthen research capacity, improve educational pathways, and deepen engagement with industry, government and communities.

The Engaged University

Institutions such as Erasmus University Rotterdam emphasise co-creation of knowledge with communities and stakeholders.

This approach includes:

- Research partnerships with citizens and organisations
- Impact-focused education programs
- Students participating in real-world societal projects

The Sustainable University

Universities increasingly align their missions with global sustainability challenges, particularly climate change and the transition to circular economies.

Institutions such as the Harbin Institute of Technology and the University of Tasmania emphasise sustainability as a strategic pillar.

The AI University

Advances in artificial intelligence are reshaping higher education. Universities such as Arizona State University are developing integrated AI strategies that enhance teaching, research, and institutional operations while maintaining ethical oversight.



The Fourth Generation University (4GU)

The Fourth Generation University model represents a comprehensive framework for universities as ecosystem orchestrators.

Building on earlier generations, the Fourth Generation University ('4GU') model focuses on the role of universities as ecosystem orchestrators. Key characteristics include:

- Partnerships with local industry, local government, and the public
- Open innovation and knowledge exchange
- Collaborative infrastructure
- Metrics focused on societal outcomes

Indicators that characterise elements of this model include, for example, the percent of students that are employed locally and measures of local industry engagement. A global community of universities embracing the 4GU approach now includes institutions across Europe, Asia-Pacific, and the Americas.

Audience perspectives on future action

In response to the forward-looking question: "What action, if taken by your university, would have the most positive impact on its ability to serve society over the next 20 years?" the audience responded with a strong emphasis on strengthening universities' connection to society.

- **Strengthen community engagement (11 mentions)** — reconnect with communities, strengthen regional focus, and improve accountability to the public.
- **Strengthen leadership and strategic direction (11 mentions)** — clearer strategy, better listening, and more decisive institutional leadership.
- **Expand strategic partnerships (8 mentions)** — deeper collaboration with industry, government and local partners.
- **Align research with societal impact (4 mentions)** — stronger focus on commercialisation, application and real-world impact.
- **Reprioritise institutional mission (3 mentions)** — put education, equity and mission ahead of rankings.
- **Strengthen funding and investment (3 mentions)** — invest more in engagement and build stronger funding partnerships.
- **Streamline internal operations (2 mentions)** — reduce bureaucracy and administrative complexity.
- **Improve institutional systems (1 mention)** — strengthen enabling systems and infrastructure.
- **Cultural or ideological direction (1 mention)** — address concerns about institutional values and direction.

"What action, if taken by my university, would have the most positive impact on its ability to serve society for the next 20 years?"

Top 10 answers

End wokeism

Interfolio

Just act

Listen

Listening

Equity

Refocus

Real life

Open doors

Serve place

Conclusions

The institutions that helped drive extraordinary progress in the twentieth century now face a complex and uncertain environment shaped by economic headwinds, political pressures, and technological disruption. Yet the challenges of the coming decades, e.g. climate change, demographic transitions, and artificial intelligence, will require universities more than ever.

Universities are already adapting to remain relevant in this new era. However, the session demonstrated that universities acknowledge that they need to do more.

Rebuilding universities' social licence will not simply be about restoring trust. It will require redefining the relationship between universities and society, demonstrating clearer societal value and strengthening the connection between universities and the communities they serve. New models may evolve that are particular to individual universities, but there are overarching priorities emerging that are relevant globally:

- **Strengthen local engagement** — reinforce universities' role in regional economic development, public health, environmental sustainability and educational opportunity.
- **Partner across sectors** — work more closely with governments, industry and civil society to address complex societal challenges.
- **Communicate public value** — more clearly articulate the societal benefits created through research, education and innovation.

Next Steps: Helping Evolve the Discussion



Readers interested in contributing to this discussion are encouraged to join the **4th Generation University (4GU) community**, a free-to-join growing international network exploring new models for universities' role in society.

4thgenuniversity.com/



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