

CHAPTER 15

Contribution of Higher Education to Research and Innovation: Balancing the ‘Social Contract’ of Universities with Their Drive for Scholarly Excellence

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The evolution of a knowledge-based economy has focused the attention of both the government and the private sector on universities as never before. Universities are now recognized as the primary source of the renewable resources – knowledge and discovery – that will determine an economy’s competitiveness. Knowledge is a vital component in this process of research, innovation, and subsequent economic growth. As a result of the complex network of relationships among universities, government, and industry, the optimum model of a public – private partnership has yet to be determined. The new social contract that universities are expected to deliver on, by both a demanding public and government, needs thoughtful design if the growing requirements of universities are to be met. We must recognize that investing in basic research at our universities for the sole purpose of attracting the greatest minds, and creating the most vibrant centres for research, is not only vitally important for our society, but lies at the heart of this new social contract.

The Role of Government Policy in University Funding

The economy is no longer based on manufacturing, but on knowledge, with the emphasis on technology to maintain or enhance economic performance. The role of the university has become central. Traditionally, the function of universities has been to develop knowledge and to train students who become the scientists and engineers responsible for research and innovation. Indeed, the role of universities in knowledge production is well known, and the shift from traditional, discipline-based