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on

Enhancing Quality and Building the 21st Century Higher Education System

Research Institute for Higher Education

Hiroshima University

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Enhancing Quality and Building the 21st Century Higher Education System
Reports of COE International Seminar/Eight-Nation Conference

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Contents

The Research Institute for Higher Education (RIHE), Hiroshima University, was established in May 1972 with the approval of the Ministry of Education as the first national institution for research in higher education. With its commitment to academic research, RIHE has developed since then to make significant contributions to higher education research both inside Japan and overseas. It celebrated its thirtieth anniversary in 2002.

This anniversary coincided with a decision of the Japanese government to establish its policy of support for research excellence, the “21st Century Center of Excellence program”. RIHE's project "Construction of a System for 21st Century Higher Education and Quality Assurance" was selected as one of 20 programs in the field of humanities and 113 programs in all disciplines. This formal recognition of RIHE as the sole COE in higher education identifies both its unique achievement and its capacity to contribute significantly to the future development of higher education. Its achievement reflects the dedication and commitment of many colleagues over the past three decades, transforming the status of research in higher education from a curiosity into the substantial position it now occupies. Those of us now working in RIHE are privileged to stand on the shoulders of the giants who established this reputation. They provide us with a continuing challenge to sustain their pioneering spirit.

The current COE program extends for five years in order to enable the project to develop fully. Specifically, the program will intensively address five aspects: institutionalization and assessment of the quality of faculty development and staff development; quality assurance in the academic research system; arrangements for and quality assessment of academic organization; construction of an international reference data base of academic systems; and training of younger researchers in higher education. In addition, in order to develop the international research network centered on RIHE we shall be publishing COE research publications in English as well as Japanese. The style of publication adopted in this volume reflects our intentions in this regard. Its aim is to place on record aspects of research already completed that are related to the COE program and to make it accessible internationally.

As the leader of the COE program project, this opportunity to provide useful information and new material to readers concerned with developments in higher education gives me particular pleasure. In turn, within RIHE, we shall be pleased to receive support, co-operation and comments from readers so that our work may be strengthened and that the function of the research network can be promoted.

March 2003

Akira Arimoto
Professor, RIHE, Hiroshima University
COE Project Leader

COE Publication Series
No. 12, December, 2004

COE International Seminar/Eight-Nation Conference on Enhancing Quality and Building the 21st Century Higher Education System

Intention and Meaning of the COE International Seminar/Eight-Nation Conference on "Enhancing Quality and Building the 21st Century Higher Education System"

I am delighted to report that the Research Institute for Higher Education (RIHE) reached a significant landmark, celebrating her 30th anniversary in 2002. In addition, it was fortunate to be selected by the MEXT (Ministry of Education, Culture, Sports, and Technology) as a member of the 21st century COE program, with a five-year term from 2002-2007. Great expectations from both inside and outside Hiroshima University seem to be directed towards us, perhaps mostly owing to the fact that it is the only program selected in the field of higher education research. All members of RIHE will strengthen their efforts to meet this expectation.

As you know, a vast wave of social change brought about by globalization, knowledge society, market mechanism, etc. is increasingly affecting academia from outside. Furthermore, a strong internal demand for reconstruction of knowledge is likely to emerge from both outside and inside due to the effects of rising knowledge-based society and of a rapid knowledge change from mode 1 to mode 2, as pointed out M. Gibbons, for example. Facing both pressures from outside and inside, higher education is at a turning point, confronted by competing demands for various academic reforms. This trend is evident in many parts of the World, including Japan, and higher education researchers are expected to make proposals for policy making on the basis of research into such situations.

The main purpose of the program mentioned above is to contribute to reform processes here in Japan and internationally, through research into the main subject of "Enhancing Quality and Building the 21st Century Higher Education System." At the same time, it helps to confirm that the RIHE was worth being awarded the COE, by forming a research network with researchers worldwide.

It is important to say that this seminar is intentionally part of a wider program, which has an important meaning for the RIHE. In relation to the main subject, it is particularly focused on inquiring into the 21st Century university image by making study of three problems as follow:

1) To inquire into the image of the 21st Century university education through studying the problem of the human resource development in higher education, with a focus on faculty development, and classifying the issues and problems.

2) To inquire into the new research system, studying issues and problems in relation to the introduction of a contract system, reforms to the tenure system, and the research network, etc. This includes shady of associated problems of academic nepotism and inbreeding.

3) To inquire into the issues and problems regarding the proposed university reforms by studying related questions of university governance, administration, management, etc.

4) Related to the above three inquiries, to make clear the similarities and differences among the national systems by undertaking a comparative study of the situations between Japan and other participating countries, including the 8-Nation Education Project (US, Switzerland, Germany, China, Singapore, Thailand, Korea, and Japan).

In this age of increasing internal and external pressures on academia, the status of higher education is likely to be an increasing concern throughout the World. Accordingly, we believe this seminar to be timely, and that our two days of intensive reflection will surely yield significant and fruitful outcomes. All participants are encouraged to appreciate sufficiently the intention and meaning of the seminar, and to lend their kind support and cooperation.

February 3rd, 2004

Akira Arimoto
Director and Professor,
R.I.H.E., Hiroshima University
COE Project Leader

Keynote Presentation 1

The 21st Century Perspectives on Japanese Higher Education

Tadao Kiyonari

Hosei University

The 21st Century Perspectives on Japanese Higher Education

Tadao Kiyonari*

Translated by Kazuhiro Sugimoto**

Thank you very much for your kind introduction. I am very much honored to have the opportunity to address this COE international seminar. At Hosei University, we also have been promoting our 21st century COE program in International Japan-Studies, which aims to evaluate Japanese studies conducted by foreigners.

Japanese higher education is currently undergoing a drastic change. This drastic change is taking place after an interval of a half century. It is a sea change in Japanese higher education system. I have been privileged to be present at this change and in a position to be able to grasp the overall picture of this reform. I serve as a member of the University Section in the Central Education Council, which is concerned with institutional design for a new higher education system. And I am also a member of the Council for University Chartering and School Juridical Persons: these bodies examine the applications that universities make in accordance with their institutional design. This allows me to see what is really going on in the newly developed designs. In addition, I am the chairperson of the Japan University Accreditation Association (JUAA), which conducts ex-post-facto evaluation for universities. There is likely to be an increasing number of bankruptcies of private universities in future years. I am also involved in an organization that checks the healthy operation of Japanese private universities. In addition, I serve as the vice-chair of a committee through which the Ministry of Education (MEXT) has been conducting a project to enhance science and technology on a local basis by promoting basic research in local universities and building intellectual clusters. With this background I believe I am very lucky to be in a good position to take an overview of the current state of Japanese universities' reforms.

The Trend of Japanese Higher Education

As we have guests from foreign countries here in this seminar, I should provide a brief account of the statistical trends in Japanese higher education. In Japan, there has been a sharp decrease in the 18-year-old population in recent years. Its peak was observed in 1992, when the 18-year-old population reached 2.05 million. This year it has reduced to 1.41 million, representing a decrease of 31.2% over the past 12 years. This change is clearly having a big impact on the management of universities. Nevertheless, the number of universities has been increasing. The number of four-year universities

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rose from 523 in 1992 to 686 in 2004, an increase of 31.2%. By coincidence these two rates are similar: the 18-year-old population has decreased by 31.2%, and the number of universities has increased by 31.2%. In fact, the number of national universities has been declining: from 98 in 1992 to 87 today (though in 2002, it temporarily rose to 99). The number of public universities has increased from 41 to 75, while private universities have increased from 384 to 512. In April of this year, the total number of universities will amount to 710. Why is the number of universities increasing? It is because a large number of two-year junior colleges have been upgraded to four-year universities. Simultaneously, the number of students in four-year universities increased by 21.5% in 2002, compared with 1992: this also reflects an increase in the number of high school students who advance to universities.

Undoubtedly these changes will lead to intensified competition among universities. The main characteristic of Japanese higher education is that private universities have a large number of students, accounting for three quarters of all students. Japan and Korea share similar characteristics in this regard. Moreover, disparities among universities have been widening, and some private universities are suffering from a shortage of student enrolments. Some of them already have gone bankrupt: last year the first university to fail was Risshikan University located in Hiroshima Prefecture. It is anticipated that there will be more failures of private universities in the near future. We have, therefore, been considering, in cooperation with MEXT, how to help such universities that are facing bankruptcy.

Policy shifts in Japanese Higher Education

In this context, there is a big shift in Japanese higher education policies. The School Education Law was revised drastically in 2002. Prior to its revision, establishment of faculties and departments in universities had to be approved by MEXT. Until a few years ago this was a lengthy process taking, for instance, two years in the case of establishment of a new faculty for MEXT to process applications. Already these regulations have been eased and it has become much easier to get approval. Earlier ex-post-facto evaluations were not very focused, while the JUAA had been doing ex-post-facto checks which were subject to ex-ante regulations by MEXT.

Another sea change is the shift from ex-ante regulations to ex-pose checks. This occurred in April 2003, allowing more emphasis to be put on market forces. When I attended a conference at the University of St. Gallen in Switzerland two years ago, I found a magazine entitled *Schweizer Monatshefte* at the venue. As it made a feature of something like the market-driven management of universities, I knew similar discussions were going on in Switzerland as well.

Easing MEXT's regulations to a large extent has made it much easier for universities to establish a new faculty or a new graduate school since now they have only to notify MEXT. In fact, whether notification or approval is required when a new faculty is established is decided by the Council: a huge number of applications are submitted to the Council. On the other hand, establishment of a new

university has still to be approved by MEXT. The Council for Regulatory Reform in the Cabinet argues that such procedures should also be eased, but the Council remains strongly opposed to such a new move.

Starting in April 2004, universities will have to go through a third-party evaluation every seven years by an external agency which will be approved by MEXT. One of these agencies is the National Institute for Academic Degrees (NIAD), which has initially started evaluating the national universities. There is also a second agency, the JUAA, of which I serve as the chairperson; its members account for 85% of Japanese universities, whether national, public or private, which is to mainly evaluate private universities. And a third agency is preparing to provide accreditation to private universities.

Consequently, we are to have an ex-post-facto evaluation system from April 2004. However, this policy change is incomplete; we are still in the middle of the reform. There is continuing debate, within the Council for Regulatory Reform, about it whether it would be satisfactory for establishment of a university to be approved only by a notification procedure. If this is the case, we will see a wide variety of universities being established. Further, the Council for Regulatory Reform has advocated the idea of a designated structural reform district; this concept has been already accepted and will be implemented at local government level. Under this new scheme, business corporations will be able to set up a university in such a special district. Hitherto there have been no university institutions established for profit in Japan. Private universities are non-profit public-interest corporations legally established for academic purposes. Now for-profit business corporations are permitted to enter the market of higher education. Under the School Education Law, only three organizations, the National government, local governments and legally established academic corporations (stipulated in the Private School Law), could establish higher education institutions. But now for-profit business corporations have been added to this group and they can establish universities even without appropriate sites or buildings. Already, two corporations are planning to set up a university in Chiyoda Ward in Tokyo. One is Tokyo Legal Mind, the preparatory school for the National Bar Examination, which has applied to establish a four-year university with a Faculty of Comprehensive Careers. The other is Digital Hollywood, a school for digital content, which has applied to establish a professional school (A new professional school system is also to be set up this year). After a long debate, these two corporations have been permitted to establish universities. However it remains to be seen if they will achieve the same quality as existing universities or graduate schools. In this way I believe that the policy change is yet to be completed.

Incorporation of National and Public Universities

The National universities are scheduled to be incorporated in April 2004. Previously national universities have been just a part of MEXT, but now they are going to obtain independent corporate status. In this way, MEXT will encourage the universities to be more independent, and their autonomy will be strengthened; at the same time, they will be required to take more responsibility. The operating

costs of these institutions, however, will be still subsidized by MEXT. Their presidents will have the ultimate authority to manage them. In general, private universities have a chairperson of the board of trustees and a president, and their authorities are separated; three universities such as Hosei University, Waseda University and Keio University, in which the chairperson of their boards and the president are the same, are exceptional. MEXT probably recognized that these three universities had been managed quite well. So it was decided that the authority of management should be vested in the presidents of the National university corporations. An additional major change is that people from outside the university will participate in management; this may indicate possible involvement of these people in teaching and research as well as in management. Furthermore, the status of all university staff will be changed to be non-civil servants. By these means, MEXT aims to make Japanese universities more competitive in the international setting, but initially it is reported that many problems are arising because the lead-time for change has been too short.

Public universities, which were set up by prefectures or municipalities in Japan, will be able to choose to be incorporated under the Local Independent Administrative Corporations Law in 2004. For example, Akita International University, a prefectural university located in Akita Prefecture, will be established as an independent corporation from the start of April 2004. However, small prefectural universities (e.g. many nursing colleges in several prefectures) may remain part of prefectural organizations. That is to say, it is possible for public universities to choose whether to become incorporated or retain the status quo. Tokyo Metropolitan Government is currently planning to integrate its four metropolitan universities into one corporation. Yokohama Municipal University is considering integrating its three departments into one and developing into a liberal arts college through incorporation. These developments will surely lead to more increased competition among various university sectors, provided by national university corporations, public university corporations, private university corporations and business corporations.

In this context, more attention needs to be paid to the management of the corporations. In the case of national university corporations, the position of presidents, who have had little management responsibility so far, will have to be strengthened in terms of management. As I mentioned already, by April 2004 there will be two for-profit higher education institutions in a designated structural reform district, with a few others in preparation. If this experiment is successful, the policy may well be implemented in different places, and for-profit universities will probably appear around the country.

These for-profit universities, however, are not mainstream even in the United States. Students who attend for-profit universities account for only 3% of the total in the US, and many of them tend to belong to the lifelong education sector. Of them, there are just a few institutions that can be called research universities. In Japan, this will represent a new situation with the possibility of increasing numbers of for-profit universities.

The questions that need to be asked in Japan are ‘What is a university?’ and ‘What is a graduate school?’ The for-profit universities for which business corporations applied are obviously nothing but

vocational schools. Moreover, people who seem to be ineligible even as a teacher at vocational schools may get a position as a professor in their graduate schools. Is this what is really going on as a result of deregulation? Consider a case that arose in the Kansai area, when a legally established academic corporation that provides vocational schools applied to establish a professional school. We visited the school to assess it on the spot. Subsequently, I had some serious reservations about its quality as a professional school, as in every respect it was just a vocational school. While principally we give accreditation to such institutions by providing all possible assistance to enable them enhance their quality to the standard level of a professional school, we have been observing many problems. A second example is provided by an application for a graduate correspondence school made by a legally established academic corporation that already has a four-year correspondence university: in this case I thought that the application was made without any reference to their experiences as a four-year correspondence university. A third example was that of a legally established academic corporation which applied to create a correspondence university even though at present it had only a private high school: the proposed university looked like an extended high school. All these cases indicate that they lack an understanding of what a university is.

To sum up in one word, Japanese universities in all categories together constitute a community. Therefore, even those in private universities know much about national universities or public universities. I am very familiar with national universities, because I graduated from a national university and have an eleven-year teaching experience at national universities during my professorship of over thirty years. In turn people of national universities have a good understanding of private universities. We all communicate in the common language of this community. Also members of this community and sharing common culture are the supervisory bodies, MEXT and JUAA.

Yet, there is now emerging a heterogeneous culture, as is seen when companies set up a university. And we can also see a new movement to establish global standards or quality of universities in relation to the WTO negotiations facilitating free trade in services. Foreign universities with different cultures — particularly in their e-learning programs — will easily come into Japan across the national border. Moreover, Japanese universities these days commercialize their research results through collaboration with industries, in which they again deal with the totally different culture of business enterprises. Consequently, in this new situation Japanese universities are required to be wide open to external pressures both nationally or internationally.

University Evaluation for Ensuring Quality

In this context, how to assure the quality of universities has become an important issue, and university evaluation has actually been mandated. Various types of universities or graduate schools will appear following deregulation of the establishment of universities. It follows that we need to discuss what universities and graduate schools are all about. It is the Council for Regulatory Reform's

view that creation of new universities should be encouraged so that the market can evaluate their contributions. They believe in a market such as that in the U.S. From a study of the regulations on higher education in all states in the U.S. I find accreditation is compulsory only in six states. Basically, it is very easy to establish universities in the U.S., although some states have regulations on provision of full-time faculty members or libraries. As an example, Hosei University set up a research institute as a local corporation in California: we can now freely engage in our teaching or research activities there, although by right we can only deliver some lectures via distance education in alliance with a local business school. So whatever happens, we should consider how to maintain or assure the quality of universities in the future. It seems to me that evaluation by markets has its own limits. For one thing, the information is asymmetric. While universities have a vast amount of information, markets, applicants for admission and companies which employ graduates, have little. The fact that Japanese universities have not always disclosed their information so far has created the current situation where, on one hand, the supply side of educational services has much information, and the demand side has little. The market does not work well because of such an asymmetric information. Even if universities were to release complete information, some expertise would be needed to evaluate it. It is not so easy for applicants to evaluate each professor's research performance or teaching ability and to assess the curriculums or syllabuses that universities offer. Moreover, when it comes to private universities, the accounting systems of the academic corporations are too complicated to be readily understood. All this means that it requires a certain expertise—and in some cases highly specialized expertise—to assess information available in universities. Accordingly, it requires specialists to evaluate universities, and these evaluation findings can help the market to make decisions. These findings will not only help high school students to choose a university, but also enable universities to improve their own quality. In this sense, we have finally entered a new era when a properly-designed university evaluation should be conducted.

At a time when competition among universities is becoming much more intense, evaluation of this kind should also be highly valued in terms of the survival of universities. What needs to be assessed is, in particular, the financial base of each university. Universities will be rated in terms of finance as are private enterprises. Hosei University earned a financial rating for the first time among universities in February last year: we were classified as AA-, the fourth out of 23, which was equal to the financial status of Tokyo Mitsubishi Bank or Mitsui & Co., Ltd. On the other hand, Harvard University and Stanford University are classified as AAA, which marks a big difference. Some five or six universities, mainly private ones, are going to be rated in Japan and this move will probably become common among other universities. This financial rating could be an indicator that shows the viability and stability of each institution.

National university corporations are going to be evaluated by the National Institution for Academic Degrees and University Evaluation (NIAD). This is an independent administrative cooperation

established and subsidized by the government. This means that a national organization will evaluate another national institution, and the evaluation results will have an influence on resource allocation to national universities and their budget. Evaluation will be indirectly related to resource allocation.

NIAD is extremely rare by international standards. Generally, external quality agencies are a non-governmental, autonomous and independent body. I think that there is a big problem with NIAD in that it is a governmental organization. The evaluation function of NIAD should be privatized or incorporated. The function that could be linked to resource allocation should remain independent of others. I assume that this aspect will be changed in the future.

So then what will happen to evaluation of private universities and public universities? Since 1996 JUAA has implemented its own accreditation of universities, which is based on ex-ante regulations, irrespective of their type. It has completed evaluation of over 200 universities. Yet, there will be difficulties in evaluating the universities of divergent qualities that will come into existence after relaxation of ex-ante regulations. Probably some universities will be seen to have questionable quality and evaluation will become mandatory for all universities. This will surely make it a demanding task.

The ways to assure quality are twofold; one is to ensure quality by ex-ante regulations; the other is to ensure quality through ex-post-facto evaluation. So far Japanese higher education has been based on the former; in addition, we have had the quality assurance through JUAA. It has been tiresome and costly work to assure quality even in this way. JUAA, for example, has been sustained not only by academic volunteers from the universities but also by financing itself on membership fees. It will probably cost more to evaluate universities more thoroughly, which in turn will eventually require more expensive accreditation fees from universities. Fees will have to be charged for evaluation, although NIAD does not levy any fees upon national universities at the moment. Such fees will be a big burden to private universities, to the extent that they will need to be subsidized by the state. I believe that, in principle, quality agencies must be financially independent from the state. Accordingly, we are thinking of a new scheme in which MEXT gives a subsidy for accreditation to those private universities that file an application with JUAA; otherwise we will not be able properly to evaluate universities.

Problems in the new System

Lastly, we ought to think about some of the problems in the new system, while reforms are in progress. The first problem is about the validity of market orientation. To what extent is it valid to put an emphasis on market forces? I could find similar discussions on it in the social sciences magazine that I saw in Switzerland. In general, market orientation provides freedom of new entry to a market. Once establishment of a university requires only notification to MEXT, as the Council for Regulatory Reform suggests, there will be a wide variety of universities. The Council believes that it is up to the market to evaluate those institutions. In practice, however, there will be many victims in the market. When universities go bankrupt or collapse, their students may have to start over again even if they are

so fortunate as to be transferred to other universities. I consider that to make young students start again in the process of their growth according to the principle of self-responsibility is too severe a consequence. To be sure, managers and other staff of academic legal corporations should fulfill their responsibilities as business corporations do. So they would lose their jobs if they failed. But I think that students are arguably the prime victim in a bankruptcy. Many private universities and public universities have recently been established one after another, which could be called a university establishment bubble. Therefore the question of what a university is all about should be asked now. Perhaps some national university corporations will collapse six years later, and the gaps between universities, whether national, public or private, will widen from now on. In this respect the validity of market competition should be questioned in terms of medical and educational services. There could be market failure in those two fields. If this is the case, certain social regulations will be required.

Further, a balance between ex-ante regulations and ex-post checks is also necessary. It is extremely difficult and troublesome to assure quality only by ex-post evaluation. Once freedom to enter a market is given to an institution, the quality of universities generally will decline and at the same time ex-post checks will get more difficult. It will be difficult to evaluate institutions, which could be below university level, make the results public, and give some advice for improvement to them. It follows that a balance between regulations and evaluations should be retained as to reduce the social costs of quality assurance.

I did some research on the German quality assurance system last year. A similar catchphrase, a shift from ex-ante approval to ex-post evaluation, is used in the German reforms. Nevertheless, ex-ante regulations are still maintained in Germany. The state government conducts ex-ante assessment in Germany as the Council for University Chartering and School Trustees does in Japan. While ex-post evaluation has been mandated in Germany, the balance between ex-ante and ex-post evaluations is still kept. We should follow this model and continue to have an ex-ante regulations system at least in terms of the establishment of universities. Of course it must not be arbitrary. We first need to set some quantitative and objective indicators rather than qualitative standards and make them publicly available. We should assess applications based on these indicators and disclose the results. In the case of the new universities that are to be informally established by business corporations, information such as their assessment processes, associated problems and remedies is supposed to be released; otherwise it will be rather difficult to ensure their quality. Moreover, a university established by a business corporation will be reviewed annually by the Council for the first four years, and evaluated by a third-party quality agency every seven years.

Finally, I would like to consider the dwindling role of the national universities. What are the distinctive roles of national universities? This question ought to be asked once again, before national, public and private universities start competing against each other under a redesigned system. MEXT has always referred to roughly three raisons d'etre of national universities. First, basic research is feasible only at national universities; secondly, they can contribute to their communities; and thirdly,

they can provide equal opportunity in higher education through inexpensive tuition fees. However, the evidence shows that it is not only national universities that can conduct basic research. As is well known, the world's leading research universities, Harvard, Duke, Johns Hopkins and Columbia, are all private. Private universities can perform basic research but only if the state puts resources into them. For example, about twenty years ago, the University of California, Irvine was not a research university but a teaching university. Subsequently UC Irvine recruited Professor Nomura, a Japanese American professional in biotechnology, who conducted research sponsored by a Japanese company. This support helped to employ some research experts and led the biotechnology research to gain a firm footing in the University. Now the University has become a good public research university, because the federal government put research funds in it after it had become financially stable. Similarly, Japanese private universities perhaps will be able to become research universities by headhunting highly capable academics from the national universities if financial resources are provided. And of course private universities have been well engaged also in social contributions which are not confined to national universities. When it comes to a policy of equal opportunity through low tuition fees, this is now breaking down substantially. One survey shows that the income of parents whose children go to the University of Tokyo, which is famously hard to get into, is far higher than that of those whose children attend private universities. The ratio of tuition fees for national universities is now nearly 60% of that of private universities. On the other hand, the public funds per student put into national universities are about 17 times greater than those of private universities. In this context, it is time to reconsider whether national universities should retain their exclusive roles—and if this is the case, they should receive more public funds.

In the early Meiji period, when the infrastructure of Japanese higher education had not been well developed, it was essential to set up imperial universities, create high schools and invite foreign teachers from overseas. At that time I admit that national universities filled a quite significant role. They also played quite an important role at the subsequent stage, that of catching up with the advanced countries. But is it really necessary to keep the national universities now that Japan is a mature economic power? What is currently at issue is a problem of private-sector businesses oppressed by the public sector. In higher education, private universities might be seen to be oppressed by national universities. In the case of law schools, while national universities can set their tuition fees quite low, private universities have charge much higher fees. The same is true in the case of business schools. On balance, it is quite unreasonable that private universities have to compete with national universities enjoying government-subsidized cheap tuition fees. This is a very big defect in the current institutional design.

My subject of today has been 'The 21st Century Perspectives on Japanese Higher Education'. I think that we have quite a few challenges to be addressed now in the early 21st century. In conclusion, I would like to draw together some of the points at issue. First, we should recognize that there is a limit to the American system, which provides freedom of new institutional entry, voluntary ex-post

evaluation and market-driven evaluation. Second, we need to rethink of the meaning of national universities, and at least reform them into institutions that Japanese people can readily understand. And lastly, we should have our standards for quality assurance accepted internationally.

According to today's subject, I was supposed to discuss and articulate the content and quality of teaching and research in the 21st century higher education. But now we are facing a really rapid structural change in Japan. I have to say that the changes are fast and sloppy and their institutional design is not necessarily appropriate. Since this is a big problem for Japanese higher education, my presentation has focused on such structural changes.

Keynote Presentation 2

Leading European Research Universities in an Increasingly Competitive Environment

Luc E. Weber
University of Geneva

Leading European Research Universities in an Increasingly Competitive Environment

Luc E. Weber*

Introduction

The continuous transformation of the European higher education and research sector has been subject to a strong acceleration over the last five years, which will bring about deep changes in the coming decade. One of the main reasons is universal: the globalization of the world and accelerating scientific and technological progress. The other reasons are specific to Europe: the determination of the national and European education authorities, supported by the higher education and research sector, to create a European space for higher education and research without internal and external borders (see Zgaga, 2003; Reichert & Tauch, 2003; Weber & Zgaga, 2004).

By far the main consequence of these significant changes is the fact that the environment in which European universities function will become more transparent and competitive. Universities will have to change more over the next 10 years than they have over the last 50 years, during which time they had to adapt to the massification of higher education. During this latter period, they faced the major challenge of boosting their capacity to absorb additional students. But few changes were made regarding their missions, structure and decision-making processes. Today's environment requires strategic decisions affecting the missions and the structure of each institution. All universities will therefore have to take initiatives and implement clear strategies to position themselves better. This will clearly require major transformations and, as these measures and decisions are difficult to make and to implement, they are quite challenging for the leadership of the institutions.

In the next section, I shall briefly describe the specificities of the disruptions which are currently taking place in the European higher education and research sector. Then, I shall identify the most important challenges for research universities. Finally, I shall analyse the most promising alternative strategies for universities and identify the responsibilities of university leaders to decide and implement them.

Specific Changes in the European Higher Education and Research Sector

Both Europe, as a continent, and its higher education and research sector have entered a period of rapid and deep change. The integration of Europe launched in 1957, with six countries deciding to create the European Economic Community, entered a new phase at the turn of the millennium with the

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creation of a single currency for 12 countries — the Euro — and with the integration of ten additional states from Central and Eastern Europe, enlarging the European Union to 25 countries on May 1, 2004.

The European Higher Education Area or the Bologna Process The European higher education and research sector has been shaken by two political initiatives. The first, launched in 1998 by four Ministers of Education meeting at the Sorbonne in Paris (Sorbonne Declaration, 1998) and confirmed on a much broader basis in 1999 in Bologna, aims at creating a "European Higher Education Area" (EHEA) without borders by 2010. The declaration signed in Bologna (1999) by 29 Ministers of Education stressed the "central role of universities in developing European cultural dimensions", and it emphasized the "creation of the European area of higher education as a key way to promote citizens' mobility and employability and the continent's overall development". Realizing that the European higher education system was anything but transparent, and that there were numerous barriers to the mobility of students between countries, the Ministers of Education pledged to take the necessary measures to overcome these difficulties.

The central idea of the Bologna process is that each country adopts a system articulated around "Bachelors" and "Masters" degrees. The first cycle, the "Bachelor", should be conceived as a first period of education, which should also facilitate the entry of students to employment: basic skills are transmitted alongside scientific knowledge and methodologies. The second cycle, the "Master", should allow students to deepen their knowledge, either by specializing in a discipline or by embracing a multidisciplinary or interdisciplinary approach. At the recent Education Ministers conference in September 2003 in Berlin, it was decided, on the initiative of the university community, that doctoral studies should also be added to the system as a 3rd cycle, in order to link education and research (Berlin communiqué, 2003). Presently, 40 of the 50 countries of the European continent, including the Russian federation, are participating in the Bologna process, and a couple more will join in the years to come.

To make the creation of the European higher education area possible, many accompanying measures were taken. Let us mention just two of them. First, generalization of the introduction of the European Credit Transfer System (ECTS) (2003), for validating credits obtained in other universities or study experience. Second, a willingness to develop a rigorous quality culture in order to build the necessary trust between institutions indispensable for the mobility of students between institutions and, more generally, to improve the quality of teaching and research (Middlehurst, 2003). Even if the debate is still quite open, we are heading towards a dual system of accreditation of institutions to guarantee that they reach a minimum standard, and promotion of an extensive quality culture within each institution, which should be inspired and monitored by independent agencies.

The European Research Area The second initiative was taken in 2000 in Lisbon by the European Council (Lisbon European Council, 2000), that is the Council of Heads of States, and

confirmed in 2002 in Barcelona by the same Council (Barcelona European Council, 2002). Observing the continuous rapid growth of the U.S. economy during more than a decade, it is assumed that this success was in large part due to the fact that knowledge is to a greater degree than before driving economic performance. The European Council decided in 2000 in Lisbon that the European Union should increase its investments in research and technology development in order to become "the most competitive and dynamic knowledge-based economy in the world" (Lisbon European Council — President's conclusion, 2000). The basic strategy proposed was to create the "European Research Area" (ERA) (COM, (2000) 6 & (2000) 612 final; (2002b) 565 final).

The belief is that, in order to unleash the huge potential of European research, it is essential to integrate national efforts better by encouraging researchers to work better together at the European Union level, by promoting cooperation between universities and industry and by lowering administrative and political barriers to this cooperation. The tools enacted or considered to reach this target are manifold, in particular:

- introduction of new tools in the 6th traditional "European research Framework programmes" (2002);
- a willingness to increase the general effort made in research to reach 3 % of gross domestic product — 2/3 of that effort having to be made by the private sector (European Commission, 2002a and 2003a);
- a willingness to address the "European paradox" in that the excellent level of basic research — probably as good as in the United States — does not translate into new applications as well as in the United States; and finally,
- a project to create a European Research Council which would finance basic research globally at a European level (ESF, 2003).

Related or Ongoing Challenges If there is no doubt that the discussion around higher education and research in Europe is at present largely dominated by the Bologna process and the creation of the ERA, many other issues — related or ongoing — deserve as much attention (Weber & Zgaga, 2004; Weber & Duderstadt, 2004). We mention only two that we consider the most important.

- Under-funding of the higher education and research sector. Financing higher education and research is obviously an ongoing issue in Europe. This has at least been recognized in some countries and by the European Union in the communication "The role of Universities in the Europe of knowledge" (2003b). Supporting the creation of the ERA, the communication openly stresses in its introductory part that "if it is to achieve its ambition of becoming the world's most competitive and dynamic knowledge-based economy and society, Europe simply must have a first-class university system — with universities recognized

internationally as the best in the various fields of activities and areas in which they are involved." However, the communication states further that "European universities are not at present globally competitive with those of our major partners, even though they produce high-quality scientific publications". One of the main reasons is that there are "insufficient means" for their complex activities. The communication tries to identify possible points of increasing and diversifying universities' income and using the available financial resources more effectively. The large increase in the number of students over the last 30 years was never matched with an equivalent increase in funding (Weber, 2004). Therefore, over the years, public subsidies have been more or less stagnating or even decreasing per student in many countries; and industry support, mainly to research, although increasing slightly, has not compensated for the diminishing public input. Moreover, a recent willingness expressed to significantly increase financial support to universities and research is today threatened by the sluggish or stagnant economy. This explains why one of the most sensitive issues in Europe is the determination of an increasing number of political or university leaders to introduce — or to significantly increase — student fees.

- Autonomy, governance and management. The topic of university autonomy, governance and management is also receiving increasing attention in Europe. The main reason is that the fast-changing environment and permanent budget shortages are revealing the limits of the present decision-making mechanisms. University decision-making mechanisms have always been complicated and cumbersome due to the willingness to apply a system of shared governance, mainly between university professors. Things became even more complicated — not to say more cumbersome — in the 1970s when many European universities introduced participation of other stakeholders, in particular the students, in the decision process. This situation has led to increasing dissatisfaction on the part of the political authorities, who complain ever more frequently that university decisions are not transparent and that universities are unable to make decisions. These have led to increasing pressure for better accountability and to a clear tendency to political micro-management (see Hirsch & Weber, 2001). At present a move backwards can be observed, aimed at streamlining the decision process to make it more hierarchical and hopefully more favourable to decision-making, in particular, making unpopular ones.
- Other questions. Many other questions are on the agenda in different countries and institutions. Let us briefly list some of them: promotion of learning; use of information technologies in teaching and distance learning; lifelong learning; quality of pre-college education; relationships and responsibilities of universities with and towards their communities; political correctness; and the replacement of the numerous teachers who are

retiring or are going to retire. We shall not comment on them here, but will consider a few of them later when we propose ways to handle them.

Challenges for the European Research Universities and their Leaders

The political, economic and social changes, as well as these two initiatives, are giving rise to a series of reforms, some with profound consequences. These reforms were generally initiated by national governments and by the European Union, but various university organizations and individual universities, as well as the Council of Europe, subsequently took a proactive role. The clear political objective is to improve the competitiveness of the European economy thanks to the promotion of knowledge creation and transfer, and to the improved efficiency of the higher education and research sector, globally and at the level of each institution. Universities themselves are using this opportunity to reaffirm their central role in the creation of new knowledge and in the training of researchers, as well as to reinforce arguments for their autonomy. We shall now identify what are the major challenges (threats and opportunities) for the research intensive universities and what could be the most promising alternative strategies.

Identification of the most Important Threats and Opportunities Our reading of the recent and expected development is that the challenges for the next 10 years will be concentrated mainly around the three following issues (see also Weber & Zgaga, 2004).

- Increasing competition. Globalization and the move towards the creation of the European higher education and research areas will create more transparency and therefore increase competition between institutions and national systems. This will force each institution to differentiate itself from others by better profiling and positioning itself in order to become more visible and attractive. This means in particular further strengthening strong points or searching for niches in order to exploit comparative advantages, and abandoning weaker areas. This profiling of institutions touches a multitude of strategic issues, like the type of research (basic, applied), the focus of research, the proportion of effort given to research relative to teaching, the level at which most of the teaching is done (Bachelor, Master, Doctorate), the preferred pedagogy (teaching pushed or learning pulled), the type of students (traditional, full-time attendance, distance or lifelong students), the way knowledge is transferred (traditional courses and workshop or more e-courseware and distance learning), as well as the intensity of use of new technologies.
- Secure enough funding. Quality research and teaching in a competitive world will continue to become more expensive. Research requires more and more expensive scientific equipment or investigations, as well as bigger teams, as it becomes more complex and interdisciplinary. Quality teaching, and, in particular, teaching at an advanced level and teaching focused on the promotion of a learning culture, will remain labour intensive and therefore be increasingly

costly. The preparation of material for distance learning is also very costly, even if the material is then used by a great number of students. At the same time, state budgets are under increasing stress due, in particular, to ageing populations and the heritage of non-sustainable social security systems, as well as to the tendency of our societies to become predominantly individualistic.

- Regaining trust from the public authorities and the population. Universities no longer enjoy an unlimited trust of public authorities and the general public. The climate of increased competition in the private sector, reinforced by tight public budgets, the lack of transparency of their decisions, their great difficulty in taking decisions when external forces require them to make a choice, and the increasing sophistication and societal impact of science are provoking an increasing mistrust of universities and of science. To guarantee the autonomy essential to their creativity, universities must therefore at all costs regain this trust.

Promising Alternative Strategies This new environment is obviously seriously challenging Europe's research intensive universities. The fact that the climate of increased competition will encourage universities to specialize more in what they are doing best and even try to excel in specific niches will clearly affect also the research intensive universities. They could lose students in favour of those institutions that pay greater attention to the adaptation of their programs to the short-term requirements of the labour market and to the right balance and coherence of their programs. They could also be threatened by small or specialized organizations, which are trying to excel in only a few well chosen areas. As they are active in basic research and postgraduate studies, they are expensive institutions which require ample funding. The present mistrust of science and basic research affects them also directly as they are principally active in research at the frontier of human knowledge; in other words, in a type of research which is particularly difficult to explain and justify to the population at large. Obviously, research intensive universities are challenged by this changing environment and must therefore also introduce clear and determined strategies to maintain or regain their envied position. Below are the main strategic questions that leaders of research universities must consider.

Revising the Missions of Universities Universities should revise the way they fulfill their most important missions, that is to produce new knowledge and to transmit knowledge. To us, these two missions, in particular the teaching mission, as well as part of the research mission, should not only be conceived as aims for the universities themselves, but as aims which should serve society. The right balance between curiosity driven research, which may or may not serve society in the long run, and research that aims at being useful to society appears to be the main point of misunderstanding between universities and society (this is also partly true with teaching). This may explain somewhat why external stakeholders are permanently trying to intervene in university choices. As it is impossible to prove that curiosity driven research responds better to the long term needs of society

than research which openly aims at responding to societal needs, it is an absolute necessity to leave room for both. The same is true for teaching programs, between programs that are essentially research-led and programs that are more labour-market orientated. This is clearly the philosophy that has always dominated; however, I have the feeling that the pressures for more targeted research and teaching are constantly increasing. For universities, this means that, if they want to secure enough room for curiosity driven research and research-led teaching, they must make a greater effort to serve society (the third mission of universities) and to be more transparent and accountable. In other words, universities have to deserve the autonomy they request.

Better Profiling and Positioning (Strategic Thinking) Due to the increasing complexity of science, the European system is probably weakened by the fact that there are too many institutions trying to do more or less the same (being universal institutions, covering most traditional disciplines) and that too few are really strong in most disciplines or in a selection of disciplines. In other words, there are too few "Oxbridges" or not enough specialization. This is a very serious and political issue, but Europe and the European countries cannot ignore this reality for many more years!

It appears also that most of the current top research universities such as Oxbridge, the Federal Institutes of technology in Zurich and Lausanne, the Catholic University of Leuven or Louvain-la-Neuve, the Universities of Geneva or Leiden and other institutions not named here have generally not really been following strict voluntary strategies to position themselves. Their success can be attributed to a comparatively favourable environment regarding funding and autonomy from the state, and, indeed, to their rather competitive recruitment policy. All these factors secured them an excellent position in the competitive search for research funding and highly qualified teachers and researchers. In other words, they benefited from a "virtuous circle".

The most challenging question today is to know if such an attitude of "laisser-faire" at the level of the leadership of the institution will still be sufficient in the decade to come. My belief is that it will not, as the changes are of a much deeper nature than those of the past. These universities will be more and more challenged by other institutions trying to profile or position themselves better to meet increasing competition. Moreover, the tension between expenditures and revenues will increase even more. For at least these two reasons, research-intensive universities will also be forced to better determine their priorities. This means that they will have to think strategically to better position themselves. This implies a rigorous analysis of their strengths and weaknesses, as well as of the threats and opportunities. Such an analysis must be in-depth if it is to be useful. In other words, it is no longer sufficient to ask if an extra professor is needed in a particular discipline! Strategic questions regarding the positioning of the university must as a matter of urgency raise key structural issues.

The types of question that should be raised and responded to, and which will require very determined implementation later, are the following.

Considering that the Bologna process will end up with a clearer separation between general studies and more advanced studies at the postgraduate level (2nd and 3rd cycles), research intensive universities should ask themselves if they should not concentrate most or all of their effort on clearly research-led teaching, that is at the Master and PhD levels, reducing the number of Bachelor degrees to those necessary for the local community or organizing lesser, but more broadly conceived Bachelors courses. Such a strategy would provoke a decrease of the total number of students, but should free precious human resources to increase the number of specialized or interdisciplinary programs and to improve the quality of teaching. As other institutions will opt for the opposite solution, this trend would end up, through specialization, in a greater differentiation of institutions, some being even more research intensive and some more teaching orientated, as well as some which will be searching excellence in a few specializations.

Research universities should also make sure that a critical mass is reached in most of the disciplines they offer. This is a necessary condition for quality and for an efficient use of resources. Institutions should envisage all possible alternative solutions when this criterion is not satisfied. The solutions open to them are: closing a department or a subdivision; setting up a global solution with one or a couple of other institutions in order for all of them to improve the critical mass of departments; merging with another institution or absorbing another institution; or, finally, considering creating a strong network with other institutions. However, due to the characteristics of Europe as a set of national systems, it is unlikely that these transformations will end up with the creation of a few very big top universities like in the United States. It is more likely that specialization will take place within each country more than across the continent, which means that Europe will still have a greater number of top research intensive universities, but that these will in general be smaller or more specialized, that is covering only certain areas of scientific curiosity.

Increased Autonomy and better Governance and Management Better profiling or positioning a university implies that the leadership can initiate the analysis and, more importantly, make decisions and implement them; this often signifies making structural changes that affect people. Observation shows unambiguously that this cannot be done without strong leadership. This is certainly not the case yet in the immense majority of European universities, which are characterized by a cumbersome and extremely slow decision process. However, an ideal solution is not easy to conceive. One cannot simply give greater decision power to the rector or president because, in universities as in no other institutions, most of the knowledge is at the bottom of the hierarchy (Weber, 2001). Therefore, there is a very serious trade-off between the creation of a streamlined as well as a more hierarchical process and counting on a more democratic system, which is necessarily heavy and cumbersome, but allows for the participation of all those who can make a contribution to the improvement of the institution. Therefore, the necessary solution should be articulated around three

criteria: strong leadership, light decision and control structures, and broad consultation of all the stakeholders.

University activities — like all human activities — are becoming more and more complex. Moreover, university staff, who represent almost 70-80 % of total expenditure, are so costly that their work must be better supported. This is why good management counts. There are a few rules to secure good management. One of them is that leaders can no longer be simply excellent scientists or teachers, but must also have a sense of management issues and be trained for that. More than in any other human institutions, university management requires a long-term perspective. Finally, the use of management tools as support to decision making has become crucial.

Another crucial issue in Europe is the mechanism of control and influence exercised by the government. As has been mentioned, the institutional autonomy of public universities is frequently limited or threatened. One solution that both public authorities and universities are exploring to solve the problem is to create an administrative board between the state and the institution, and give it real decision power (Rhodes, 2004). This would allow for a clear separation between the bodies that propose a decision, make it and control it. The central person in a university, the president or rector, is either in a position to make a decision which must therefore be controlled by another body, the board, or is in a position to propose a decision which should therefore be made by the board, and controlled by the State. When considering the composition of the board, the delicate question is to decide if members of the institution can be members of the board or if the latter should be composed exclusively of external members. Obviously, there are good arguments for both solutions, but a pure system of decision and control weighs in favour of a board composed only of external members.

Develop a Culture of Quality It is also paradoxical that research intensive universities are in general slow in introducing measures of quality assurance. This is partly due to the position of the researchers who get their scientific reputation outside the institution in their discipline; therefore, they tend to expect as much support as possible from their institution, but often do not care to the same degree about serving it. This is also partly due to the broad autonomy given to the researchers to choose their field of research.

However, even if the research intensive universities are satisfied with being known in research circles, they should realize that they could most likely improve their global performance in developing an effective culture of quality. This would mean, according to the strategy promoted by the European University Association (Graz declaration, 2003), running a continuous system of quality audit of departments and other institutes or subdivisions, paying attention both to their research output and teaching outcome. The methodology should be organized around the drafting of a self-evaluation report, visits of peers who prepare evaluation reports and finally discussion of these reports to examine problems and possible improvements.

Experience shows that a serious procedure for quality evaluation allows identification of many shortcomings and greatly helps to solve them, as it helps make evident what was often known, but hidden. In other words, good universities can, like all other universities, improve thanks to the implementation of a quality culture.

Recruitment Policy Paradoxically, it appears to me that the most important action ambitious universities must take is to continue to apply with great rigour one policy that has been the key to their success in the past: that is a very strict recruitment policy. More than any other institution, the quality of a university depends on the quality of its staff. In particular, there is no doubt that to be among the best, a university must be able to keep or attract the best researchers and professors, those able to innovate or to offer solutions at a high level of complexity. This requires a very rigorous recruitment and promotion policy, based on open competition between potential candidates. Paradoxically, the present top research universities are in a better position to enter into this increasingly competitive environment as they can in general already count on quality human resources. As this is a limiting factor, it is easier to maintain an advantage than to search for these people. However, those universities subordinated to strict public sector rules may have a more difficult time as they do not have the ability to adapt the level of salaries according to those which prevail in some disciplines, being therefore unable to attract the best people. However, this argument should not be taken too absolutely as it has been proven that the quality of the research environment (equipment, research staff at disposal, environment) plays a compensating role.

This means also that top research universities must be able to attract the best students. To make this possible, the institutions must be visible and attractive. This also implies a rigorous selection process at the entrance to different stages of a course of study, and, every year, at the different levels of the program. Universities that have the possibility of selecting their students have an advantage compared with those that cannot, as their public authorities force them to accept as undergraduates all those students who have successfully finished high school; and soon, in many countries, all those who have completed Bachelor's degrees to enter Master's programmes. It is therefore crucial that a selection process takes place as early as possible to prevent mediocre students from bringing down the general level.

Secure the Necessary Financial Resources Last but not least, another topic of growing importance is the funding issue. Even if the new university will be better positioned, therefore, better focused, it will need continuously more financial resources to develop research infrastructure and to offer better learning opportunities, in particular at the postgraduate level. For European universities, this implies trying to obtain more from traditional sources, that is State funding, and from third party organizations, in particular research funding agencies, foundations and donors (sponsors). In all these

cases, universities are totally dependant on decisions made externally by political bodies or organizations; they can however try to influence positively these decisions by lobbying all these organizations, proving to them that they deserve their increased support.

The real challenge for universities is to raise additional resources directly from new sources, basically on a contractual basis. Universities can fundamentally sell both their teaching (study fees) and research services (research contracts and proceeds from intellectual property rights). Finally, they can try to accumulate assets and benefit from their proceeds. European research universities are strongly encouraged to consider these new ways to increase their financial resources, but they have to be aware that it will be quite difficult and that some sources may even partly endanger traditional resources.

The introduction or increase of study fees is certainly the most promising way to increase revenues. However, there is a strong resistance to fees, possibly with a few exceptions in Spain and England. My belief is that the resistance to fees is due to confusion between higher education as a "public responsibility" and as a "public good". Governments can decide politically that higher education and research should be a public responsibility, a consequence of which might be that it should be provided free. However, higher education and research are certainly not a public good according to the economic definition of the word, even if they produce external benefits for all those who did not attend a higher education institution. The consequences of this confusion are far reaching, in particular giving up the idea of raising fees in order to invite students to contribute directly to the funding of their studies. First, the payment of fees by students contributes to a better allocation of resources (on both the supply and demand sides of higher education). Second, free access to higher education produces a regressive impact on the income distribution of a country because, despite all the efforts made, the proportion of students from low-income families studying in higher education institutions is still very low. The fact that this low-income group pays also taxes, even if these are modest amounts, means that the members of this group are subsidizing the studies of better-off children. Last but not least, raising study fees can provide significant additional financial resources. These arguments are clearly in favour of raising fees. However, this is advisable only if two necessary conditions are met: first, ensuring that fees do not become a barrier to entry for low-income groups, it is necessary to develop simultaneously a generous system of grants and/or loans; second, many European universities fear — with good reason — that governments could use this opportunity to reduce simultaneously their own funding to universities, which would be quite damaging considering that universities are already underfinanced.

European universities have become quite active in contract research, and this approach is likely to be adopted more and more frequently. However, progress could still be made with exploitation of the intellectual property rights. One should however be aware that a proactive policy on this matter could only provide a couple of percentage points more revenue and could also affect negatively the creativity of researchers if the system became too bureaucratic and protective.

Probably the biggest difference between American and European universities is the quasi-total absence of endowment funds in the latter. In our view, there are two main reasons for this. The first reason is that there is in general no — or only weak — tax incentives for individuals to make donations to universities or for funding a research project as these are not, or only partially, deductible from their income. Obviously, universities should lobby their national government, and in particular Ministries of Finance, to change the fiscal laws in order to make these donations tax deductible. This change is however hard to obtain as European universities are mostly public, which means that they are already a burden on the expenditure side of the public budget. Therefore, Ministers of finance are not at all keen to accept additional expenditure in the tax laws. The second reason is that there is in European universities practically no culture of alumni from whom one could ask for contributions to finance specific projects.

Conclusion

This description of the deep changes taking place around the world, and in Europe in particular, and of the most important challenges facing European research intensive universities shows hopefully that research intensive universities will have to be much more pro-active in adapting to the changing environment and responding to new needs and opportunities, while simultaneously improving the way they fulfil their responsibility towards society. This is a challenge for all staff members, but the leaders will have to take a much more decisive stance, in contributing to setting up more efficient decision structures and processes, thinking strategically, using modern management tools and making decisions. This is the condition for them to keep the leading position they have enjoyed for centuries as the place where all researchers are trained and where most of the basic scientific discoveries are made.

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Presentation 1

Faculty Development in Japan: as a Result of 2003 Investigation

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Faculty Development in Japan:
as a Result of 2003 Investigation[1]

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Purpose of Investigation

A survey entitled "Questionnaire regarding Improvement of Teaching Activity in Universities and Colleges" was conducted as a part of the 21st century COE program, "Construction and Quality Assurance of 21st Century Higher Education System".

The aim of the questionnaire was to investigate the existing situation in regard to improvement of teaching activities in the national, public and private universities and colleges in Japan, and of analysing both the problems encountered and the measures adopted to deal with them.

Background of the Survey A survey of the present situation of improvements of university education across the country was needed to clarify the situation objectively. A number of reasons can be identifies explicitly.

(1) An improvement of university teaching functions is necessary as a response to the pressure of increasing social changes towards globalization, knowledge-based society and market mechanism.

(2) Review and evaluation of university teaching is however also related to issues of faculty development and staff development. It is thus necessary to be able to compare the situation regarding university teaching improvement in Japan and in foreign countries.

(3) Further, in relation to (2), it is also necessary to survey problems and measures related to university teaching reforms in Japanese universities and colleges.

Moreover, by comparing the findings that we obtained from a previous survey in 1989 we can clarify the change in attitudes that have occurred over a period of 14 years.

Method of Survey

Object of Survey The questionnaire was sent to a sample of Presidents, Deans, Professors, Associate Professors, Lecturers in four-year universities and colleges throughout the country in May 2003. The report is focused mainly on the responses to the survey by university and college Presidents.

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[1] This questionnaire investigation was conducted jointly with Naoyuki OGATA (associate professor), Tatsuo WATANABE (COE research fellow), Jun OBA (associate professor), Ikuo KITAGAKI (professor), Futao HUANG (associate professor), Kazuhiro SUGIMOTO (COE research fellow) and Koichi KUZUKI (COE research fellow) of the Research Institute for Higher Education at Hiroshima University.

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Method of Survey As sources for the sample, we used the nationwide 2002 personnel lists of the national and public universities and colleges, and also of the private universities and colleges. From these lists, we selected from about one third of the institutions, all Presidents, all Deans; and from one third of the general faculty members in 10% of institutions, randomly selected Professors, Associate Professors and Lecturers. Questionnaires were mailed between the end of May and early June (2003) and mid-July was set as the first deadline for responses.

The number of questionnaires mailed is shown by sectors in Table 1. The total numbers of questionnaires mailed were 675; returned numbers were 343, giving a response rate of 50.8%.

Table 1 The Response Rate of Questionnaires by Sectors

	The number of questionnaires mailed	The responsed numbers	The responsed ratio
national	94	67	71.3%
public	73	44	60.3%
private	508	231	45.5%
missing	*	1	
Total	675	343	50.8%

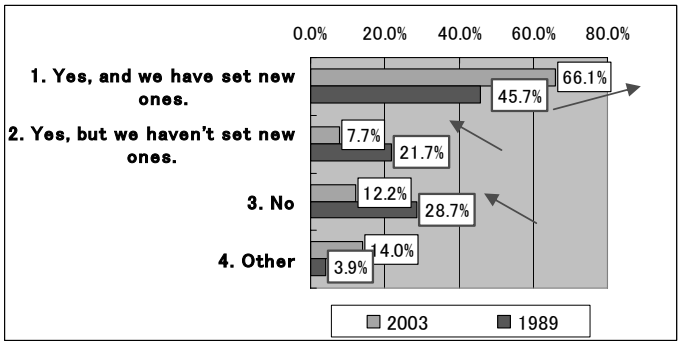
Findings

Measures used to Achieve Results.

Q. *Over the past five years, has your university reviewed your educational objectives and targets?*

The answer "Yes, and we have set new ones" was given by 66.1% in 2003, compared to 45.7% in 1989 (Figure 1). This suggests that reviews of educational objectives and targets have become considerably more common over the 14-year interval.

Figure 1 Over the past 5 years, has your university reviewed your educational objectives and targets?



Q. Over the past 5 years has your university reviewed your curricula?

However less dramatic progress was evident as far as evaluating the curriculum was concerned: 85.6% in 2003 vs. 91.5% in 1989 (Table 2). This result may suggest that curriculum reform was

started so much earlier in terms of review that rather less improvement was realized within the last 14 years.

Table 2 Over the past 5 years, has your university reviewed your curricula?

	2003	1989
1. Yes, and we have developed new ones.	84.1%	91.5%
2. Yes, but we haven't develop new ones.	1.5%	
3. No	5.0%	6.2%
4. Other	9.4%	2.3%
Total	100.0%	100.0%

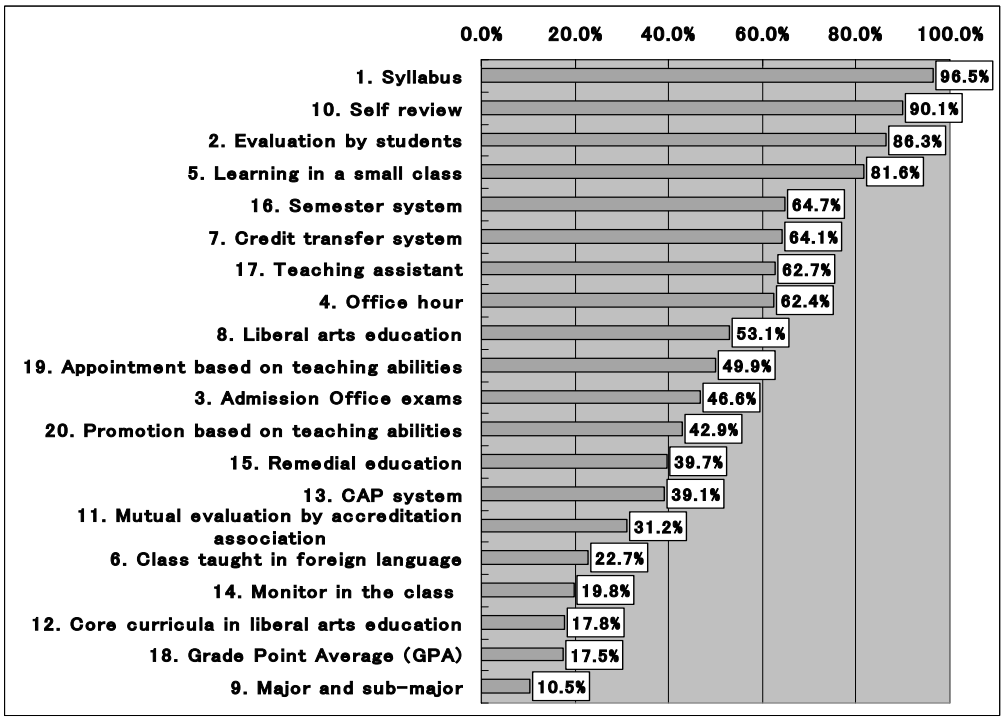
note) The choice was only "Yes" .in 1989.

Q. Does your institution conduct reviews of any of the following matters?

This question on teaching reforms revealed differences among the items shown in Figure 2. Positive answers were given, in descending order: syllabus, 96.5%; self review, 90.1%; evaluation by students, 86.3%; learning in small classes, 81.6%; semester system, 64.7%; credit transfer system, 64.1%. Negative responses were given, again in descending order: major and sub-major courses, 89.5%; GPA 82.5%; core curriculum in liberal arts education, 82.2%; monitor in the class, 80.2%; class teaching in a foreign language, 77.3%; mutual evaluation by an accreditation association, 68.8%; CAP system 60.9%.

Based on these results, we can say that despite reforms, quality assurance of the teaching process and its outcome is still inadequately developed.

Figure 2 Does your institution conduct reviews of any of the following matters?



Q. Do you think that educational activities in your university need to be improved or revitalized?

Q. Why do you think that educational activities in your university should be improved or revitalized?

Almost all Presidents are currently considering how to institute improvement or revitalization of the educational activities' in their own universities and colleges. As is shown in Table 3, almost 100% of Presidents concur. Here there are no differences between today and 14-years ago. Such ideas are thought to be natural among Presidents.

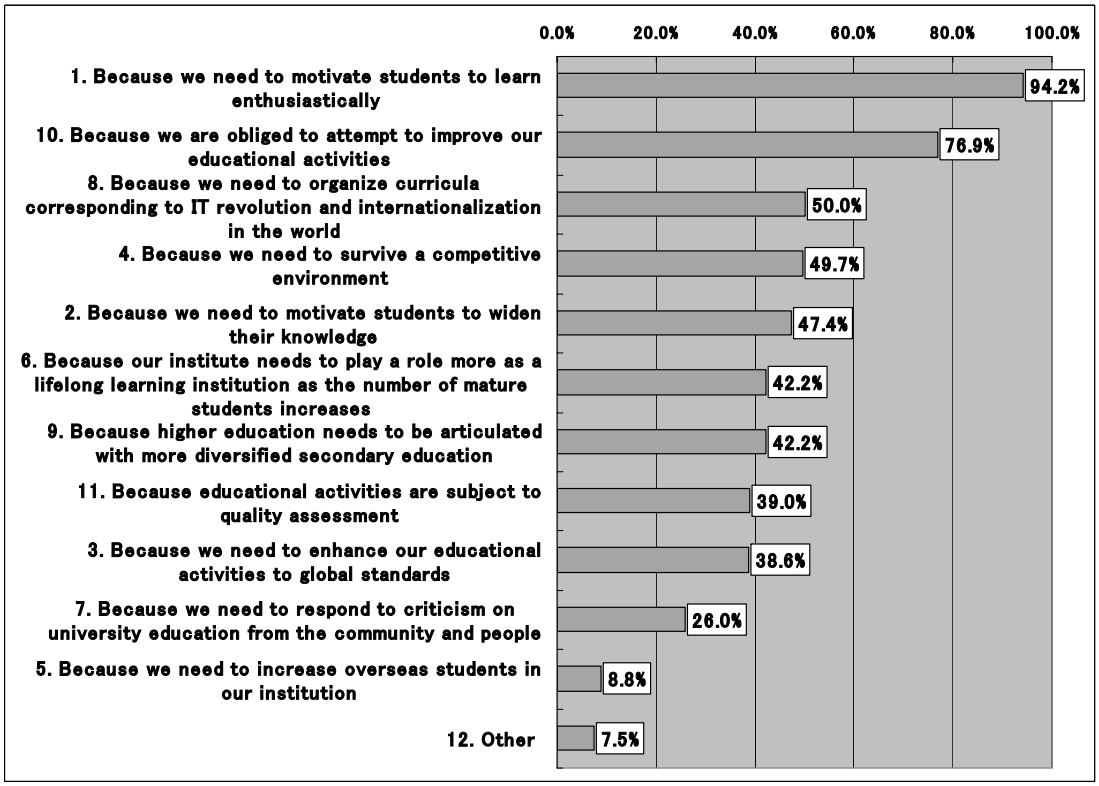
Table 3 Do you think that educational activities in your university need to be improved or revitalized?

	2003	1989
1. Yes	90.1%	98.5%
2. To a certain extent, yes.	8.8%	
3. Neutral	0.0%	1.5%
4. Not so much	0.9%	0.0%
5. No	0.3%	
Total	100.0%	100.0%

But why is it necessary? As Figure 3 shows, a variety of reasons is given: because we need to motivate students to learn enthusiastically (94.2%); because educational activities are subjected to quality assessment (76.9%); because we need to organize curricula corresponding to IT revolution and internationalization in the world (50.0%). The following items were answered negatively in descending order: because we need to increase more overseas students in our institution (91.2%); because we need to respond to criticism on university education from the community and people (74.0%); because we need to enhance our educational activities to global standards (61.4%); because educational activities are subject to quality assessment (61.0%).

The most common responses are related to paying attention to student's learning, quality assessment and curriculum improvement to meet the demands of the IT revolution and internationalization. These reasons seem to attempt to reform teaching to meet quality assurance under pressure of IT, and internationalization. Nevertheless, no attention is paid to international students, nor criticism from outside academia. It is particularly interesting to note that there is an apparent paradox between the former answers and the latter answers including the rather negative reason for quality assurance for the global standards and quality assurance itself. This is thought to be a reflection of Presidents who are ambivalent with regard to the vision of educational reforms in their own institutions.

Figure 3 Why do you think that educational activities in your university should be improved or revitalized? (Please answer this question only if you circled "1" in Table 2)



On the basis of the results shown in Figure 3-1 and 3-2 some differences are observable between two sectors. Responses from both sectors share the top two reasons of "motivate students to learn enthusiastically" (item 1) and "improve our educational activities" (item 2), but they exhibit differences in order of importance beyond these two items. "Global standards" (item 3), "IT revolution" (item 8) and "quality assurance" (item11) were selected in the national sector; while "survive a competitive environment" (item4), "motivate student to widen knowledge" (item 2) and "IT revolution" (item 8) were selected in the private sector. There is similarity in that "IT revolution" (item 8) has a fairly high weight in both sectors. A manifest difference is recognized in the point that "global standards" (item 3) and "quality assurance "(item 11) were stressed strongly in the national sector, while "survive a competitive environment "(item 4) and "motivate student to widen their knowledge" (item 2) were stressed strongly in the private sector.

Figure 3-1 Why do you think that educational activities in your university should be improved or revitalized? (National University)

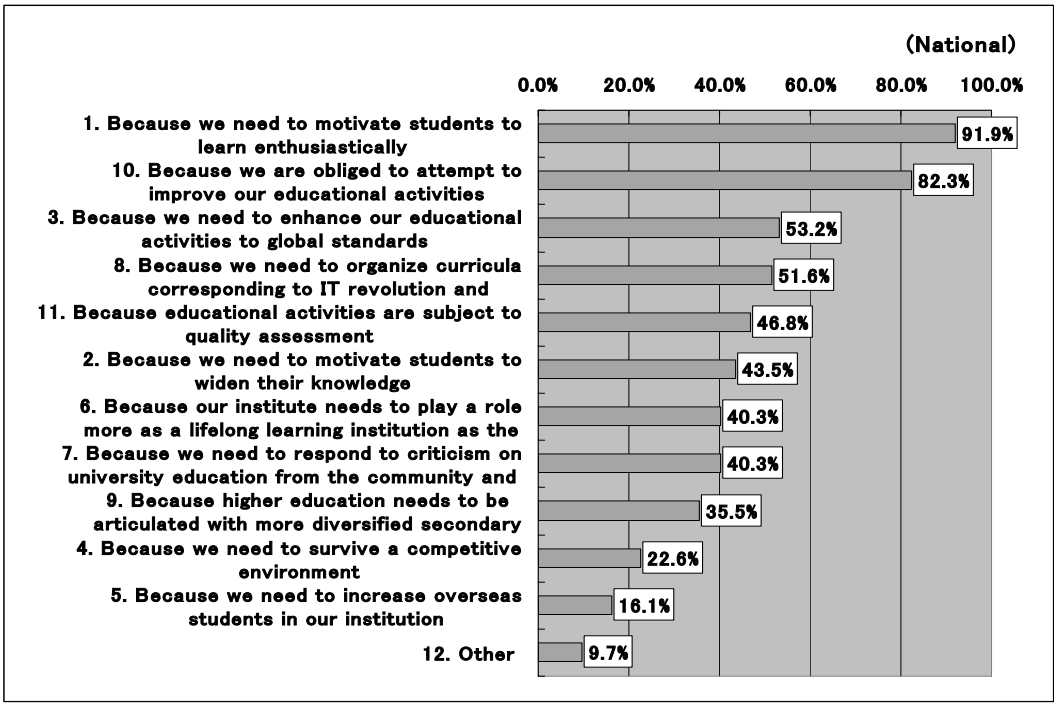
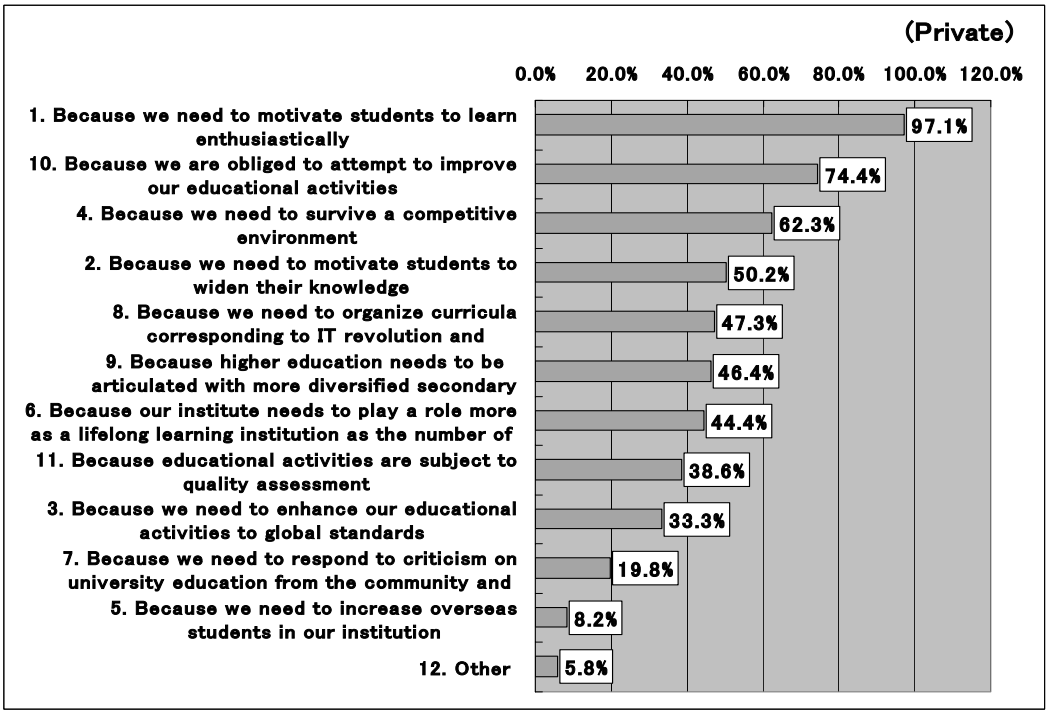


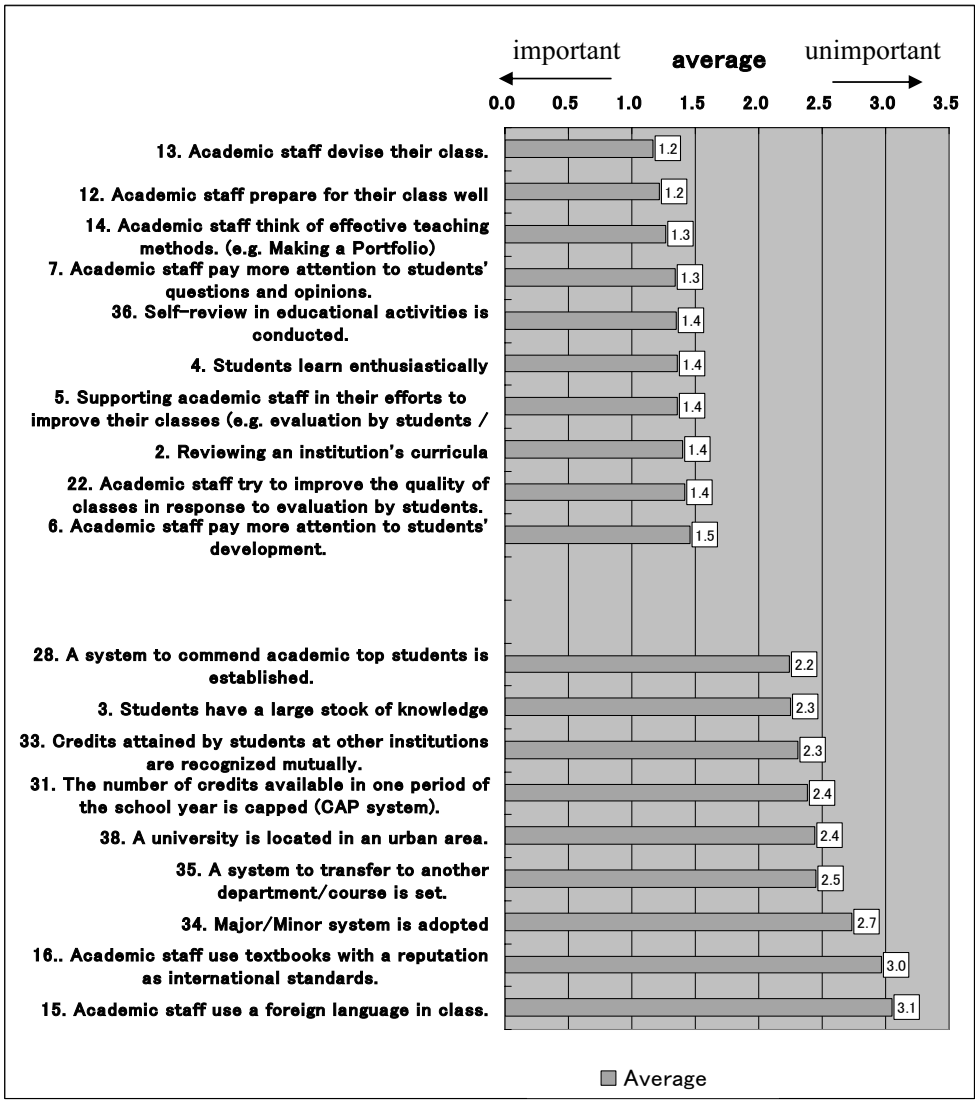
Figure 3-2 Why do you think that educational activities in your university should be improved or revitalized? (Private University)



Q. How much is each of the following activities or circumstances IMPORTANT to enhance the achievement level of educational activities in your university?

So, what are the important activities or circumstances to enhance the achievement level of educational activities in universities? The more important top 10 and bottom 9 activities or circumstances to enhance the achievement level of educational activities are shown in Figure 4. Of the more important top 10 items, 7 are activities of academic staff. In other words, it is recognized that efforts by, and development of academic staff are important to enhance the achievement level of educational activities in Japanese universities.

Figure 4 How much is each of the following activities or circumstances IMPORTANT to enhance the achievement level of educational activities in your university?



Note: We calculated mean values by assigning weights: "Very Important": 1; "Fairly Important": 2; "Neutral': 3; "Not too Important": 4; and "Not at All Important": 5.

Q. To what extent will FD programs be necessary for your institution in the future?

Almost all Presidents think that educational activities in their own university need to be improved or revitalized (Table 3) and effort and development of academic staff are important to enhance the achievement level of educational activities in Japan. Similarly, as shown in Table 4, almost all Presidents think that in the future FD programs will be necessary for their own institution.

Table 4 To What extent will FD programs be necessary for your institution in the future?

1. Very much	78.4%
2. To some extent	19.5%
3. To a small extent	1.8%
4. Not at all	0.3%
Total	100.0%

Q. Which of the following FD activities are more focused in your university?

Q. What type of academic staff is considered to be 'good or excellent' in your FD activities?

What is Faculty Development? Several definitions of FD are found in the literature (Eble & McKeachie, 1985; Graf, Albright, & Wheeler, 1992). As shown in Figure 5, 93.0% of Presidents think teaching is a focus of FD activities within their own universities. As shown in Figure 6, 94.0% of Presidents think academic staff considered 'good or excellent' in their own FD activities are those who attach significant importance to teaching.

Figure 5 Which of the following FD activities are more focused in your university?

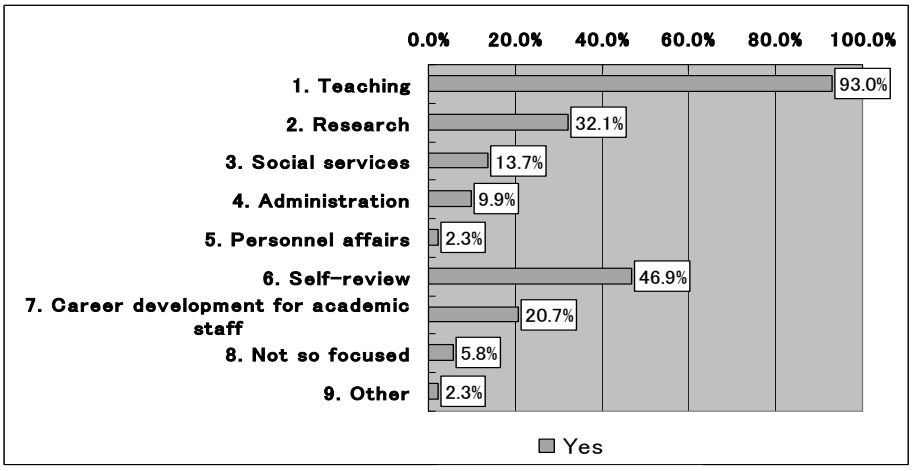
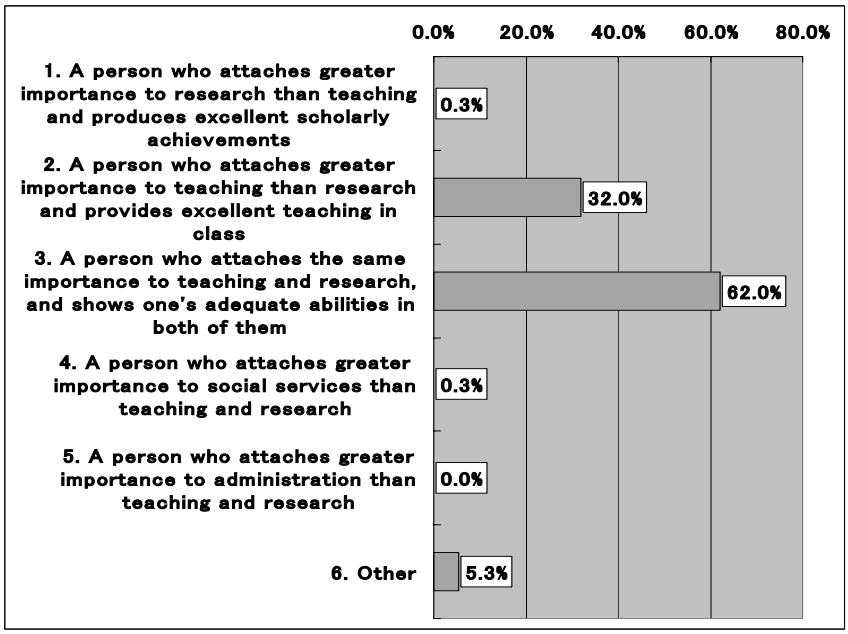


Figure 6 What type of academic staff is considered to be 'good or excellent' in your FD activities?



Some differences between the two sectors are observable, on the basis of the results shown in Figure 6-1 and 6-2. Academic staff considered to be 'good or excellent' in their own FD activities are more likely to be those who attaches greater importance to teaching by Presidents in the private sector than by Presidents in the national sector.

Figure 6-1 What type of academic staff is considered to be 'good or excellent' in your FD activities?

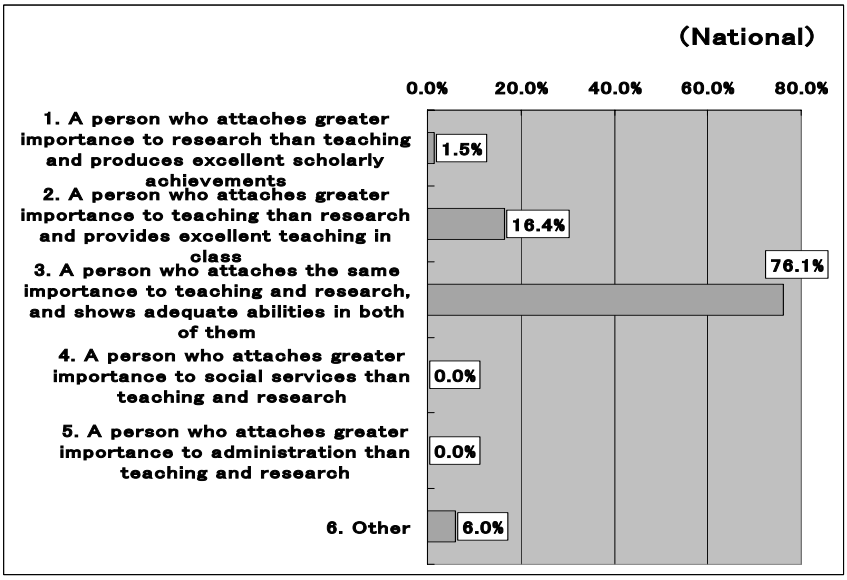
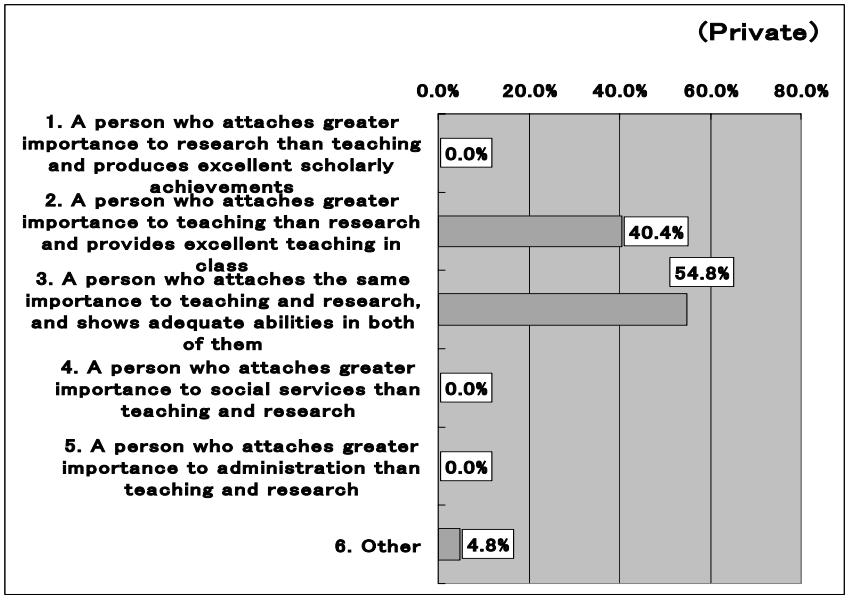


Figure 6-2 What type of academic staff is considered to be 'Good or Excellent' in Your FD activities?



Q. Did your institution offer any FD programs on teaching over the past 5 years?

Q. What topics did the programs include?

How many universities engage in FD activity in Japan? As shown in Figure 7, 72.4% of Japanese universities have offered FD programs on teaching over 5 years to 2003. In comparison with 1989, this represents an increase of 58.7%. What kinds of topics are treated in that FD programs? As shown in Figure 8, at most universities, "teaching method (79.5%)" was treated in FD programs. "Student guidance" and "Student assessment method" was the next most common in many universities next. By contrast, "Research activities", "Social Services" and "Administration" were covered by fewer than 10% of universities. Of the four major functions of a university, it is education function-related topics that are mainly treated in FD programs.

Figure 7 Did your institution offer any FD programs on teaching over the past 5 years?

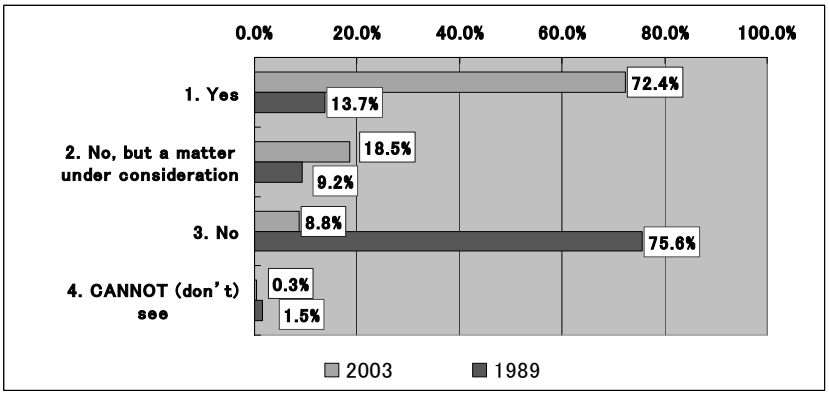
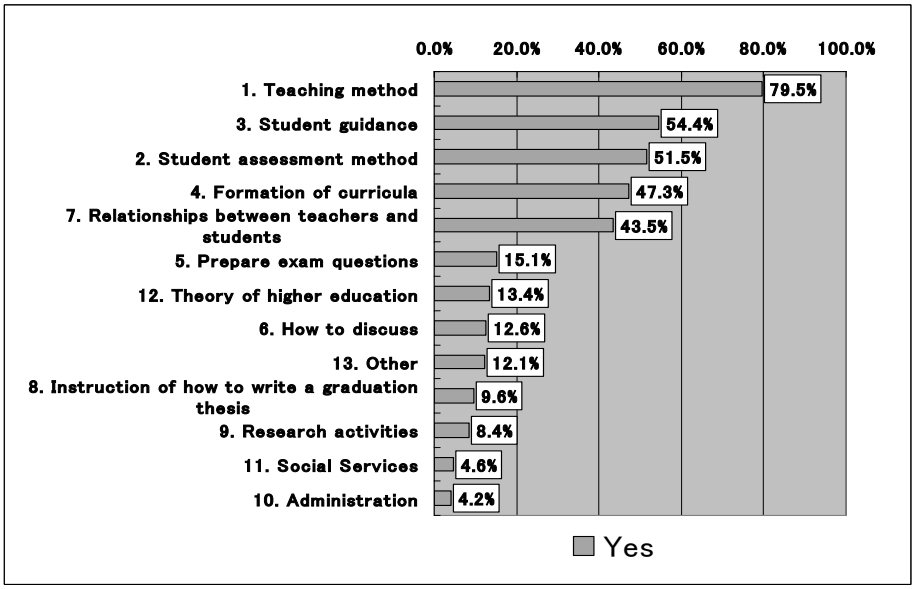


Figure 8 Which of the following topics did the programs includes?
(Please answer this question only if you circled "1" in Figure 7.)

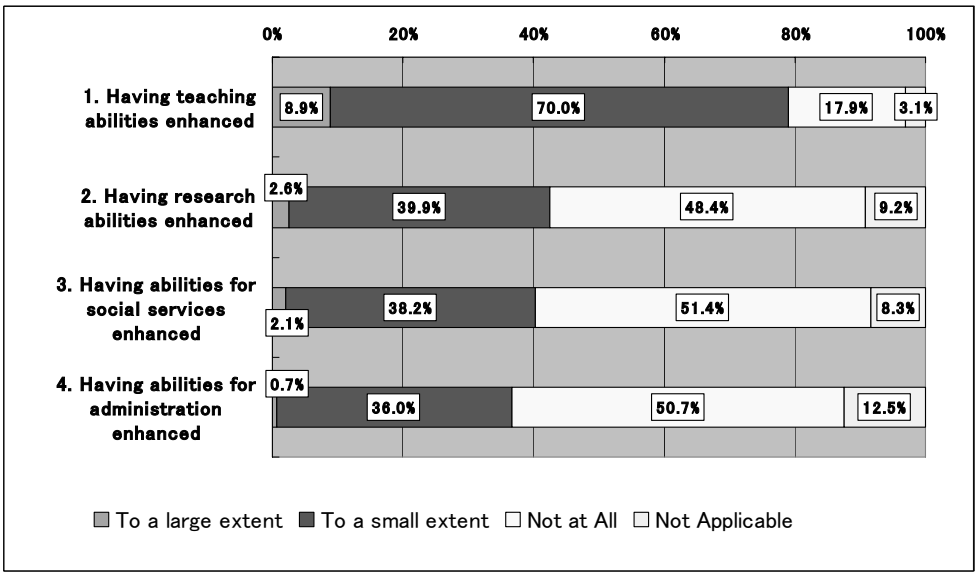


Achievements and Diagnosis of FD Programs

Q. To what extent did you get results from your FD programs?

In FD programs, the education function-related topics were the main ones treated. So, as shown in Figure 9, FD activities enhanced the teaching abilities of a teacher in only a little less than 80% of universities. By contrast, the FD activities enhanced the abilities in research, social services and administration in only about 40% of universities.

Figure 9 To what extent did you get results from your FD programs?



Q. What do you think of the education in your university?

Q. Over the past five years, to what extent has the quality of educational activities been improved in your university?

Q. What do you think of the actual achievements of FD programs in your institution?

At many universities, the FD activities surely enhanced the teaching abilities of teachers. Nevertheless, as shown in Figure 10 few Presidents think the education they provide is successful (11.3%). As shown in Figure 11 only 13.4% of Presidents think the quality of educational activities has been improved in their own universities. And, as shown in Figure 12, only 5.2% of Presidents were satisfied with the actual achievements of FD programs in their own institutions.

Many Presidents think that the FD activities enhanced the teaching abilities of a teacher. Notwithstanding such programmes, however, few Presidents think that the education is successful, that the quality of educational activities has been improved, or that the actual achievements of FD programs were satisfactory.

Figure 10 What do you think of the education in your university?

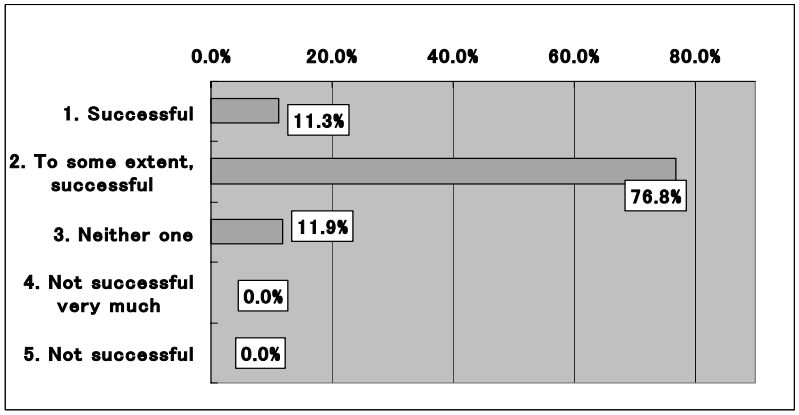


Figure 11 Over the past 5 years, to what extent has the quality of educational activities been improved in your university?

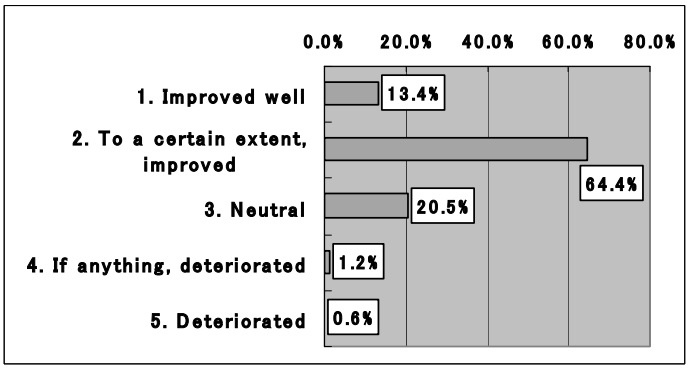
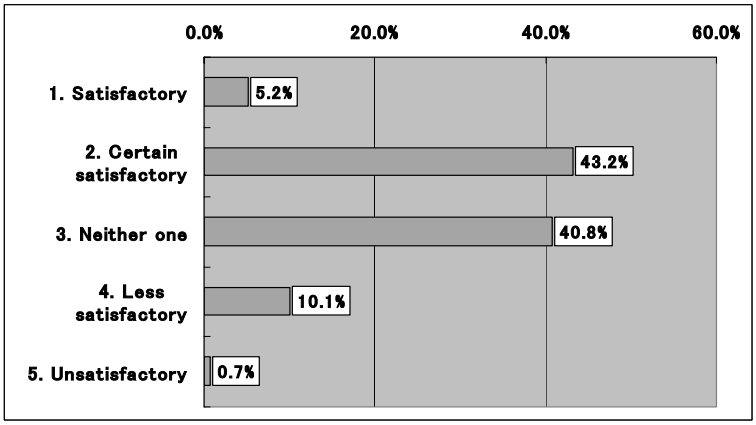


Figure 12 What do you think of the actual achievements of FD programs in your institution?



Problems and Challenges for FD Activities

From results such as the above, it is hard to say that FD activity is succeeding Japanese universities. So how many universities are able to recognize problems of FD activity?

Q. Some problems of FD activities are listed. To what extent does each of these apply to the current situation in your institution?

As shown in Table 5, 78.1% of Presidents reply that not all teachers understand the principles and concepts of faculty development; 63.2% of Presidents reply that it is difficult to encourage teachers to participate in faculty development activities at the individual level; 72.9% of Presidents responded that there were no experts on faculty development programs; and 67.8% of Presidents think that there are rather many teachers not interested in faculty development programs.

In these ways, many universities' Presidents recognize problems in FD activities. A large number (73.9%) think that it is necessary to establish a nationwide organization to promote cooperation or collaboration in FD programs.

Table 5 Some problems of FD activities are listed below. To what extent does each of these apply to the current situation in your institution?

	Applicable	To a Small Extent Applicable	No	Not Applicable	Total
1. Not all teachers understand the principles and concepts of faculty development.	16.3%	61.8%	17.9%	4.1%	100.0%
2. It is difficult to encourage teachers to participate in faculty development activities at the individual level.	9.0%	54.2%	28.7%	8.1%	100.0%
3. There are no experts on faculty development programs.	28.0%	44.9%	19.4%	7.6%	100.0%
4. There are a rather many teachers not interested in faculty development programs	12.9%	54.9%	29.2%	3.1%	100.0%

If you circled '1.' or '2.' at Sentence 4, please describe the proportion of those teachers at your institution.

average → 41.35%

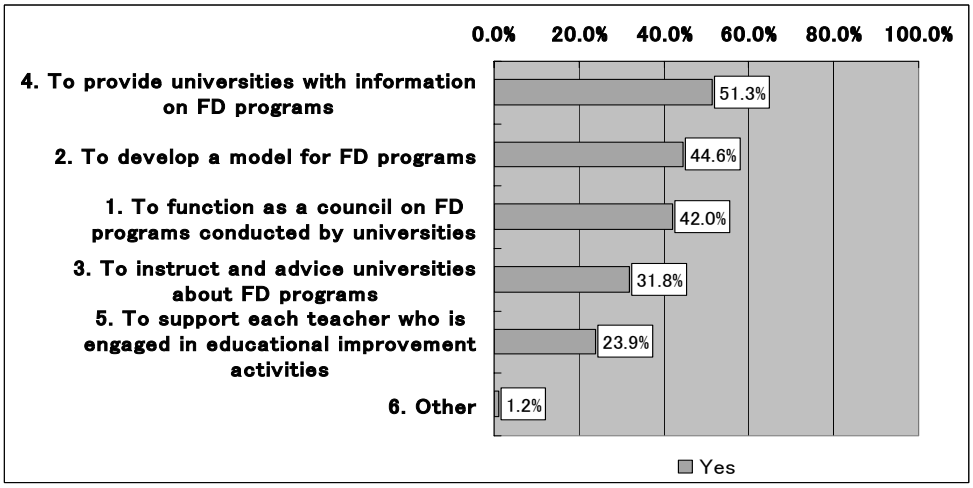
	Yes	To some extent	to a small extent	No	Total
5. Do you think that it is necessary to establish a nationwide organization to promote cooperation or collaboration in FD programs?	20.2%	53.7%	22.4%	3.7%	100.0%

Q. What functions do you expect of this organization?

Figure 13 reveals that providing universities with information on FD programs (51.3%), developing a model for FD programs (44.6%), and acting as a council on FD programs conducted by universities (42.0%) were the principal functions expected of such an organization.

A nationwide organization to promote cooperation or collaboration in FD programs was expected to support the FD activities of each university.

Figure 13 What functions do you expect of the above organization?



Q. How much do you EXPECT that each of the following activities will be emphasized in respect of promotion of academic staff in your institution?

Q. How much do you think that each of the following activities is ACTUALLY emphasized when promoted in your institution?

Q. Do you think that academic staff at your institution are enthusiastic about educational improvement?

As shown in Table 6 there is an expectation that teaching will receive predominant emphasis when academic staff are considered for promotion. Research is second. As shown in Table 7 however, in the actual promotions process, research receives most emphasis: in practice teaching is little emphasized.

Further, as shown in Figure 14, few Japanese University Presidents think that academic staff are enthusiastic about educational improvement in 2003, although, almost in fact almost twice as many are as in 1989.

The findings show a discrepancy between expectations and actuality. When academic staff are promoted in Japan, in theory, teaching should be most emphasized, in actuality, not much. We think that this is why academic staff are not enthusiastic about educational improvement and, as a result, the delivery of education is not successful (Figure 2).

Table 6 How much do you EXPECT that each of the following activities is to be emphasized when promoted in your institution?

	2003							1989
	Emphasized 1	Relatively Emphasized 2	Neither One 3	Less Emphasized 4	Not Emphasized 5	Total ==>	Average (Important) order	Average
1. Research	62.3%	35.9%	1.8%	0.0%	0.0%	100.0%	1.4 (2)	1.3
2. Teaching	76.9%	22.0%	1.2%	0.0%	0.0%	100.0%	1.2 (1)	2.0
3. Administration and Management	20.4%	62.3%	15.3%	1.5%	0.6%	100.0%	2.0 (4)	2.5
4. Social Services	15.7%	59.5%	23.0%	1.8%	0.0%	100.0%	2.1 (5)	2.7
5. Other	31.0%	44.8%	24.1%	0.0%	0.0%	100.0%	1.9 (3)	*

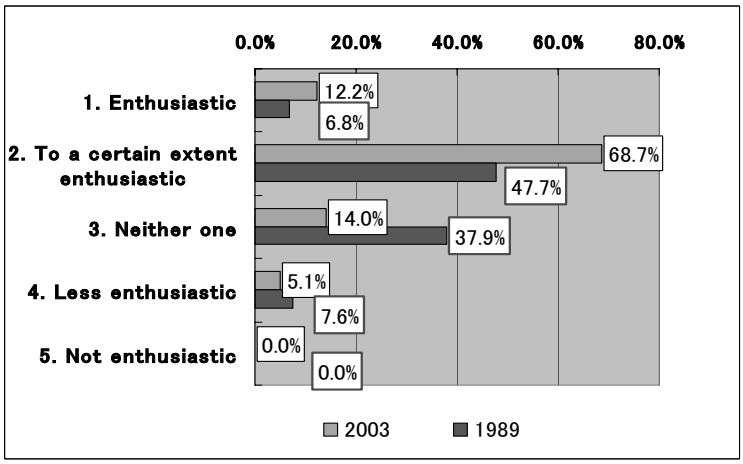
Note: We calculated the average for 1 in “Emphasized”, 2 for “Relatively Emphasized”, 3 for “Neither One’ , 4 for “Less Emphasized” and 5 for ”Not Emphasized”.

Table 7 How much do you think that each of the following activities is ACTUALLY emphasized when promoted in your institution?

	2003							1989
	Emphasized 1	Relatively Emphasized 2	Neither One 3	Less Emphasized 4	Not Emphasized 5	Total ==>	Average (Important) order	Average
1. Research	72.8%	23.3%	2.4%	0.6%	0.9%	100.0%	1.3 (1)	1.4
2. Teaching	31.1%	46.2%	12.4%	7.3%	3.0%	100.0%	2.1 (2)	2.4
3. Administration and Management	8.5%	43.0%	28.2%	12.1%	8.2%	100.0%	2.7 (4)	2.7
4. Social Services	4.6%	32.2%	39.9%	15.3%	8.0%	100.0%	2.9 (5)	3.1
5. Other	14.3%	37.1%	37.1%	5.7%	5.7%	100.0%	2.5 (3)	*

Note: We calculated the average value by assigning weights : “Emphasized”, 1; “Relatively Emphasized”, 2; r “Neither One’ , 3; “Less Emphasized”, 4; and ”Not Emphasized” 5..

Figure 14 Do you think that academic staff at your institution are enthusiastic about educational improvement?

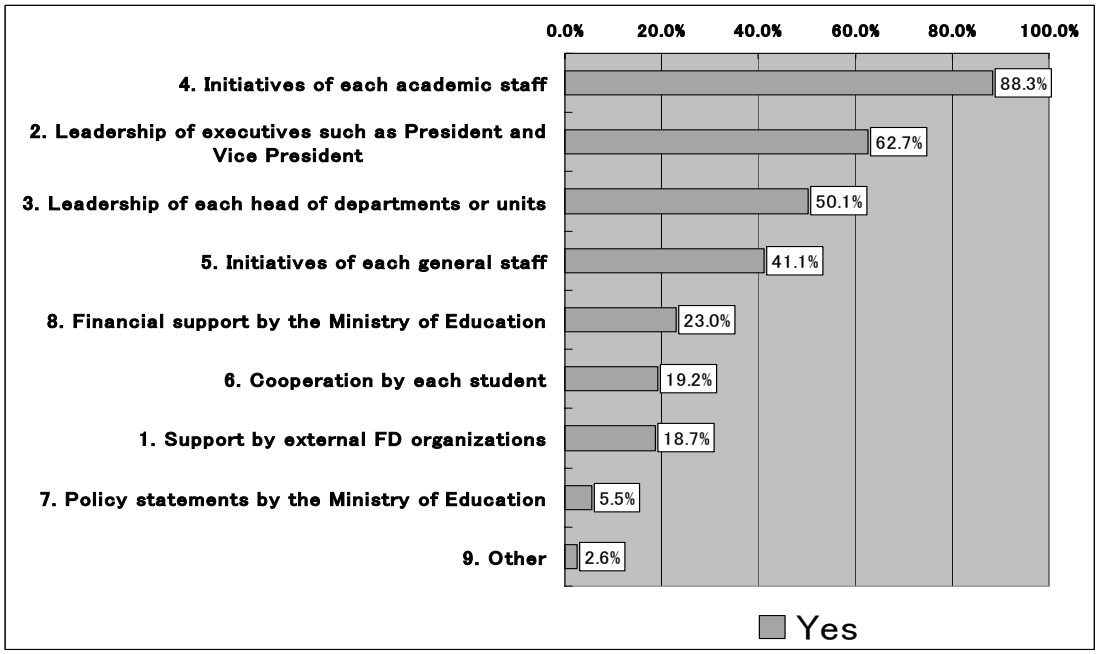


Q. Which of the following factors do you think are necessary to promote FD activities for educational improvement?

As shown in Figure 15 the top 4 factors to promote FD activities for educational improvement were identified as “Initiatives of each academic staff (88.3%)”, ”Leadership of executives such as President and Vice President (62.7%)”, Leadership of each Head of Departments or units (50.1%)” and ”Initiatives of each general staff (41.1%)”.

As shown in this answer, in order to raise the quality of Japanese education, it is important that there should be independent and positive action for educational improvement of academic and general staff, as well as integrated and supportive management and leadership throughout the system.

Figure 15 Which of the following factors do you think are necessary to promote FD activities for educational improvement?



Summary

Our findings support the conclusion that reviews of educational objectives and targets have become considerably more common in Japan since 1989. But, quality assurance in the teaching process and its outcome is still inadequately developed. So, almost 100% Presidents think that educational activities in their own university need to be improved or revitalized. Presidents think that, in order, to enhance the achievement level of educational activities in their own university, the efforts by, and development of, academic staffs is most important. Indeed, almost all Presidents think that FD programs will be necessary for their own institutions in the future.

In Japan, 72.4% of Japanese universities reported having offered FD programs on teaching over the past 5 years. At most universities, “teaching method” was treated in FD programs. At about 50% universities, “Student guidance”, “Student assessment method”, “Formation of curricula” and “Relationships between teachers and students” were also covered. In this way, it is education function-related topics that have been mainly treated in FD programs. And, 80% Presidents think that the FD programs have enhanced the teaching abilities of academic staff. In spite of this, few Presidents think that the resultant education is effective, that the quality of educational activities has been improved or that the actual achievements of FD programs were satisfactory.

As to problems of FD activities and programs themselves, 70-80% of Presidents recognize that not all teachers understand the principles and concepts of faculty development, that it is difficult to encourage teachers to participate in faculty development activities at the individual level, and that there are no experts on faculty development programs in their universities. Moreover, there are many teachers not interested in faculty development programs. So, the Presidents think that it is necessary to establish a nationwide organization to promote cooperation or collaboration in FD programs.

The second problem area revealed by the survey concerns promotion of academic staff in Japan. While teaching is most emphasized in the formal procedures, in actuality it is much less so. We think that this is a major reason why academic staff lack enthusiasm for educational improvement.

In order to raise the quality of Japanese education, as the Presidents point out, it is important that there should be independent and positive action for educational improvement of academic and general staff, and integrated, supportive leadership throughout the system.

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Presentation 2

The Complex Case of Academic Leadership in a Research University: the Role of Administration, Faculty and Students

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The Complex Case of Academic Leadership in a Research University:

the Role of Administration, Faculty and Students

Peter Conn*

I should begin with a few definitions and exclusions. I will be talking about private "research-intensive" universities, which comprise a relatively small handful of American institutions of higher education. There are over 3,500 degree-granting, four-year colleges and universities in the United States, which enroll close to half of the 18-to-23-year-old cohort in either full-time or part-time study. Of these, only about 60 are considered research-intensive, according to a generally-accepted taxonomy developed by the Carnegie Foundation. While small in number, these universities include the leading institutions in the country: about thirty private universities, among them Harvard, Yale, Penn, and the rest of the Ivy League, along with Duke, Stanford, Chicago, and MIT, and another thirty or so public institutions, including Berkeley, Michigan, Texas, Wisconsin, and Illinois.

These research-intensive universities produce a disproportionate share of American scholarship, train a high percentage of all doctoral candidates, and number on their faculties many of the leading scientists and humanists in the country.

Because the governance of public (state) universities is a completely specialized and different subject, my focus here is on the private institutions, what I will call the "Ivy-plus" universities. I will provide a brief overview of the governance characteristics that most of these universities share, and then offer brief case studies of two important subjects that can be used to observe governance in action: the oversight of the Ph.D. degree, and the management of endowments.

Despite the title of this paper, governance begins with the university's trustees. At Penn, and other private institutions, the trustees are vested with ultimate fiduciary authority. Technically but legally, in fact, the trustees *are* the university, since the corporate charter is embodied in that group of individuals. Trustees reserve the right of final approval over virtually all matters of substance that engage the university, from annual budgets and strategic planning, to proposals for new degrees and promotions to tenured positions. The trustees also hire and evaluate the university's president.

In daily practice, however, the trustees of a major university rarely intervene, at least not directly, in the institution's core mission, the conduct of teaching and research. No member of the trustees attends school or department meetings, except by invitation, and then only for exchanges of opinions, never for top-down instructions. Trustees do not interfere in such fundamental educational concerns as the development of curriculum, or the design or revision of degree requirements. Above all,

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trustees separate themselves scrupulously from the hiring, evaluation, and promotion of faculty. Thus, while they reserve the legal authority to approve such promotions, they exercise this authority exclusively through delegation to faculty and senior administration.

This separation of trustees from academic decision-making has particular salience at Penn. In 1915, a young Penn economist named Scott Nearing was fired for publishing an anti-war pamphlet and for advocating the abolition of child labor. When he was fired, the influential magazine *The New Republic* denounced Penn's trustees as a collection of "reactionaries" and accused them of "intellectual repression." Nearing's termination, which attracted national attention, was the first case taken up by the new American Association of University Professors (AAUP), as a flagrant violation of academic freedom. In turn, the case, and others like it, led in 1940 to the codification of the modern system of tenure.

In short, even more than most US universities, Penn has learned the value and indeed the necessity of keeping trustee engagement at the level of advocacy, planning, fundraising, and general oversight. The significant contribution that American universities have made to the nation's economy and social improvement is anchored in the untrammeled freedom of senior scholars to organize their research and teaching according to the demands of their disciplines and their own intellectual inclinations. The recognition that academic inquiry is not answerable to external political or ideological demands provides strong protection to scholars as they pursue their individual and collective research and teaching.

One homely but revealing way to further document the limited role of trustees in university governance is to examine the committees through which they operate. At Penn, the trustee committees include audit and compliance, budget and finance, compensation, development, external affairs, facilities and campus planning. Note that all of these have to do with what might be called the financial and business side of the university: fiscal policies and practice, real estate acquisition and campus facilities, budget making, and so on. There is a committee on academic policy, but this is the sole entity through which the trustees routinely involve themselves in Penn's academic work; and the agenda for that committee is set in close collaboration between trustees and senior administrators. There is no trustee committee on faculty.

This balance of trustee oversight is deliberate, not coincidental: the university's trustees are themselves committed to the division of labor which assigns preeminent responsibility for teaching and research to faculty, guided but not "managed" by administration.

Having paid tribute to the careful delineation of roles that defines trustee participation in university governance, let me also acknowledge that the situation is not quite as pleasingly unambiguous as my summary might suggest.

For instance, in determing the annual budget of the university, the trustees make choices about the physical plant, about tuition increases, about real estate acquisition, and so on. While these are ostensibly fiscal decisions, and do not explicitly affect teaching and research, such choices have

obvious consequences for the academic program. Resources are always constrained, and priorities are always in competition. It is possible to defend virtually all university expenditures as ultimately in the service of the educational mission, but in fact money spent on business services or physical plant may entail subtractions of funds from academic priorities.

Nonetheless, in those areas that encroach more directly on academic activities, the trustees generally act as partners and supporters, not as managers or supervisors. Strategic planning offers a relevant example. Like most major for-profit and not-for-profit American corporations, universities have opted to operate within the framework of a continuous and more or less elaborate strategic planning process. It is the trustees who ultimately endorse those plans, but the directions and emphases laid out in such documents are typically crafted in the first instance by a combination of faculty and senior administrators. This was certainly true in Penn's most recent case. The current strategic plan was developed by a dozen or more committees, on almost all of which faculty were the most heavily-represented constituency; over a hundred faculty from all twelve of the university's schools participated.

What all of this is intended to suggest is the extent to which lines of authority are far less self-evident in a private research university than in most other corporate institutions of comparable size and scope. Neither the faculty nor the students regard themselves as employees, and, especially in the case of the most senior faculty, virtually all of their participation in the collegial life of the campus, outside their own research and teaching, amounts to a form of voluntary activity. Thus a fundamental complexity, in which traditions play as major a role as written by-laws, and in which collegial relationships count for more than vertical reporting lines, characterizes the entire academic enterprise.

How does senior administration provide leadership within this set of operating assumptions? There is an old joke about an especially lazy British conductor, who came to an American city for a guest performance with the local orchestra. When he arrived for rehearsal — late, of course — he found the musicians all silently waiting, and this note was taped to his music stand: "When we start to play, wave your arms. When we stop playing, turn around and bow."

I am not suggesting that presidents, provosts and deans serve only ornamental or ceremonial purposes in the leadership of a research university. Nonetheless, if the institution's core mission consists of research and teaching, then the two groups that carry out that mission are students and — above all — faculty. The rest of the university's personnel and administrative infrastructure comprise a version of support staff and service.

Reinforcing their prominence on the university's landscape, the faculty as a group have by far the longest duration of any of the institution's key constituencies. Undergraduate students move through in roughly four-year cohorts; graduate and professional students spend as few as two and on average about four years in residence. Department chairs, deans, and provosts, usually serve for quite limited periods — I would estimate five to seven years as a fairly accurate accounting. Even presidents, the

longest-serving of senior administrators, rarely remain in office longer than ten years, and often just six or seven.

Faculty, on the contrary, often spend decades in their positions. They have seen any number of deans and provosts come and go, and have generally noticed only modest consequences for their own professional commitments, achievements, or priorities. This longevity is another consequence of the system of life tenure, and if it sometimes encourages inertia or resistance to administrative initiatives, it also provides a welcome balance of experience and perspective.

Quite deliberately, the contemporary American university affirms the centrality of its faculty in its most senior administrative appointments. Almost without exception, only accomplished scholars and scientists are chosen for positions such as dean or president.

That familiar fact deserves just a moment's reflection. Academia is perhaps the only modern enterprise in which the skills and values needed by chief administrative officers have only marginal connection to the body of accomplishment these officers bring to their jobs. Distinction in teaching and research would not seem very obviously to provide the mix of knowledge and experiences that is needed to take charge of a multi-billion-dollar corporation, which employs tens of thousands, and which every day faces the most difficult legal, political, ethical, social and financial challenges. Yet that is exactly the career path of most university presidents.

To use advanced degrees as metaphors, the Ph.D. is the sign of theoretical sophistication, the MBA the symbol of managerial expertise. Yet the great majority of university presidents hold the Ph.D. and virtually none has earned an MBA (The one professional degree that does appear on the resume of some presidents is law.).

I do not want to exaggerate this point: modern university presidents have generally survived long apprenticeships at a sequence of increasingly senior administrative posts. They do not leap into presidential office straight out of the lab or library. Nonetheless, successful presidential candidates must above all else be persons whose achievements have been neither as managers nor as fundraisers but as academicians.

In most corporate settings, it is common and perfectly acceptable for every executive to harbor ambitions of advancement, including eventual advancement to the chief position. Indeed, the lack of such ambition might be regarded as evidence of a worrisome lack of motivation.

Academics, on the contrary, entered their professions almost invariably because of a passion for learning, and for the production of new knowledge, usually accompanied by a hunger to teach that knowledge to the next generation of scholars and researchers. Very few graduate students, toiling through course work, examinations, and dissertations, have thought of themselves as preparing for full-time administrative work. And any explicit ambition for administrative appointment to which a faculty member admits is ordinarily regarded as a demonstration of bad judgment as well as bad taste.

Thus, it is a cherished feature of academic tribal attitudes to characterize administrative jobs with amused condescension. Most academics take a bit of sneaking pride in the old gibe that a professor is

a person who could not manage a two-car funeral. In this construction of the university hierarchy, to become a dean or provost is in fact to descend from a more elevated status to a lower one, and to abandon one's primary vocation into the (bad) bargain.

I admit to a small measure of caricature in these remarks, but I also claim a measure of truth. The more serious insight is this: that universities are so thoroughly immersed in the values, principles, beliefs and customs of academic life that they routinely and gladly subordinate managerial credentials in choosing their senior leadership. All the necessary management skills can be learned or hired. But no short course of study or observation will provide the intimate knowledge of academic culture that only comes with years of participation in the culture of the academy.

Nowhere is the idiosyncratic nature of the university corporation more evident than in its distinctive approach to succession planning. As we all know, the boards and chief executive officers of modern companies consistently identify, among their highest two or three ongoing requirements, the need for rational, orderly, seamless transitions in the highest positions. Planning starts years in advance, and successor candidates are continuously evaluated against the organization's current needs. The current chief executive officer typically plays a leading role in this process.

Once again, the university presents the almost reductive opposite strategy. Successors to presidents are not ever identified in advance, since appointment follows an international search, in which — this part varies from school to school — faculty and students often play a major role along with trustees. In short, the single most important administrative appointment the university makes each decade or so is deliberately delayed, and is then delegated to a consultative process of exceptionally wide dimensions. And, while sitting presidents undoubtedly make their views known in sidebar conversations with search committee members, they almost never do so in a public way, and they are sometimes excluded altogether. The recent debacle at Boston University, where a former president continues to exert massive influence on the choice of his successors, has only confirmed other universities in the wisdom of their traditional practices.

The division of authority in a research university is perhaps the chief feature that distinguishes these multi-billion-dollar corporations from their for-profit counterparts. Rather than command and control, university presidents and other senior leaders depend on consultation. Indeed, in a modern global culture that increasingly values and emphasizes efficiency and clarity of objectives, universities can seem out of step, obsolete, even downright quaint in their continued devotion to the consultative process. Almost any decision can become the subject of hours of discussion, debate, persuasion, revision, with all the delay and frustration such behavior implies. The same elongated, often elaborate practices obtain, whether the issue being confronted is faculty promotion, curricular review, or budget allocation, on the one hand, or the design of a small brochure, the location of a campus concert, or a change in dormitory regulations, on the other.

The habit of consultation has, if anything, broadened over the past generation, particularly with regard to students. Since the 1960s, students have been redefined as stakeholders, who have a

legitimate voice in decisions that directly affect their daily lives. More broadly, at Penn and similar institutions, many university and school committees routinely number student among their members, including committees that bear significant financial and policy responsibilities. To return for one important example to the presidential search process, the twenty or so members of the committee currently searching for Penn's next president include four students — a ratio that was unthinkable thirty years ago.

I said that I would conclude with some comments directed to graduate education and endowments to illustrate shared governance in some detail. First, graduate education. By graduate education here I refer specifically to Ph.D. education. Penn enrolls about 20,000 full-time students: half of them undergraduates, the other half divided between 6,000 professional students (in law, medicine, business, etc.) and 4,000 in our Ph.D. programs.

Penn offers the Ph.D. in sixty different programs, distributed across nine of the university's twelve schools. In other words, instead of consolidating all Ph.D. work into a single graduate school, Penn has chosen to decentralize this part of its academic operation. Each of the Ph.D. schools includes a senior administrator at the associate dean level, in effect a graduate dean, who has responsibility for the doctoral programs in that school.

The deputy provost has responsibility for the Ph.D. degree, and meets regularly with the nine associate deans and with a separate graduate council of faculties. Through these two committees, the university maintains institution-wide oversight of such issues as minimum admission standards and course requirements, the structure of examinations and certification, the level of graduate tuition charges, the technical specifications for dissertations, and so on.

Within that very general framework, the details vary so widely that it would be virtually impossible even to enumerate the differences in these brief remarks. For the past year, Penn has been engaged in a self-study of graduate education, to prepare for the decennial visit of its regional accreditation committee. We decided to use the mandate of the accreditation process to scrutinize our practices; this has led to the most searching inquiry into Ph.D. education in the university's history.

We established six interlocking committees, each with a dozen or more faculty members, and charged them to study every issue from curricular requirements to financing, from mentoring to exam structures, from administration to placement records. We included an investigation of program assessment — one of the most controversial tasks, since it includes an effort to define success and failure. We also charged each committee to compare Penn practices in these areas with those of peer universities.

The draft reports of these committees total over a hundred pages of text, tables and charts. Collectively, we now know more about graduate education — both at Penn and elsewhere — than we have ever known before. Not only have faculty in different groups and schools had the chance to learn

about practices in other groups, but the senior administration has now developed a much fuller and more accurate picture of every aspect of doctoral training.

The single conclusion that is dramatically documented by this study is variability. Number of courses required; number and sequence of exams; financial aid; advising and assessment systems; placement counseling; dissertation mentoring: almost no two graduate groups approach any of these key issues in the same way. I want to emphasize that this extraordinary range of practice does not imply any failure of quality. To return to my main theme, responsibility for doctoral education, like every other component of the research university's core mission, is lodged where it belongs: with the faculty and students who comprise the membership of each program.

As we now move toward the next stages of our work — analyzing the results of our various surveys and focus groups — we anticipate the identification of best practices which may serve as collegial models for intramural judgment and perhaps for change. But we do not anticipate a re-definition of our normative expectations. We will not seek uniformity. The whole point of our decentralized system of governance is to acknowledge and protect local expertise and autonomy in teaching as we do in research.

My second case study has to do with the management of university endowments. This present quite a different sort of institutional complexity. It might be useful to start with a few comments about the nature of university endowments in the U.S., including one or two of the assumptions that guide them, along with some recent challenges to those assumptions.

First, the endowments associated with private universities in the U.S. are as old as the institutions themselves. Indeed, many universities were established with founding gifts centuries ago, and the practice of what we call “donor recognition” began early: both Harvard and Yale bear the names of their first benefactors.

Second, the largest university endowments are large indeed. Harvard currently has between $18 and 20 billion (Y1.8 and 2 trillion) in its funds, and Princeton and Yale between $8 and $10 billion each. The University of Pennsylvania has about $3.5 billion: not Harvard, but a considerable amount of money.

Almost all of these endowments have grown larger over the decades, and indeed that growth is one of the two major goals of endowment management. The other, of course, is to derive annual income, from a more or less permanent source, that will support a wide range of academic activities.

While the details vary, most universities have installed a “spending rule” which defines the amount that can be allocated each year: usually between 4.5% and 5.5%. Applying such a figure yields tens and even hundreds of millions of dollars each year, sometimes accounting for a significant share of specific costs or even of university-wide budgets. At Princeton, for example, virtually all the money needed for student financial aid comes from endowed funds. And at Rice University, over 50% of the entire university budget is covered by endowment.

American endowment policies have recently begun to come under scrutiny from academic economists and others. Stated very briefly, the argument begins by asking what is the purpose of endowments? The usual answer is: inter-generational equity, i.e., assuring that future generations of students will have access to the same opportunities as today's students.

However, any survey of America's economic history over the past two centuries leads to the unrebuttable conclusion that the future will be a time of greater economic resources than the present. With pauses at times of financial panic and depression, the trajectory of the American economy has been relentlessly upward.

In short, current endowment policies almost certainly mandate a substantial transfer of wealth from the less-wealthy present to the more-wealthy future. Inter-generational equity is thus purchased at the cost of intra-generational equity: assuring opportunity to tomorrow's students means denying opportunity to today's students, whether in reduced financial aid, smaller numbers of faculty, fewer facilities.

The debate over the purposes of endowments, the rate at which they should be expended, and even the issue of how large they should be — how much, after all, is enough? — has just begun. In the meantime, there is another feature of endowments that distinguishes them from other sorts of corporate cash reserves, and which also adds to the complexity of university governance.

The great bulk of university endowments is not in fact owned by universities at all. Rather, most of the funds are sequestered in sub-units of the institution, usually the schools. At Penn, for example, the central administration has direct control over only 10-15% of these assets. The rest — 85-90% — resides with the twelve individual schools and their deans. And, since the shares of these funds are held in exceptional disproportion, the relative wealth of Penn's schools varies quite dramatically. The business school, to give one example, is much better endowed than either arts and sciences or education.

Once again, because of deeply-entrenched patterns of shared governance, the mobility and capacity of central leadership are curtailed. In addition, many gifts have been so narrowly restricted by donors that the income they produce cannot even be spent because the specific purpose for which the money has been reserved cannot be carried out. This leads to the paradox that funds are accumulating in some endowment accounts while the university as a whole may face a significant deficit.

In a different way, then, from graduate education, endowments illustrate the complexity of governing a private American research university. In these challenging contexts, it is the job of senior leadership to articulate core principles, to work in partnership with all the stakeholders, and to subject practices and policies to continual examination.

Presentation 3

University Reforms and the Faculty Appointment Policy in Japan

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University Reforms and the Faculty Appointment Policy in Japan

Atsunori Yamanoi*
Koichi Kuzuki**

Introduction

As the conditions affecting the academic profession in each country are at the heart of higher education, they are a major concern in the world. It is remarkable that universities worldwide, stemming as they do from common roots in medieval Europe, have long evolved quite different patterns of academic marketplace, academic organization and faculty member appointment. Furthermore, it is important to note that the level and quality of academic productivity in each country have basically drawn on their domestic system of higher education.

This article examines the situation and conditions of the Japanese academic marketplace, academic organizations and appointment policies after the 1990s. In discussing the distinctiveness of the Japanese academic marketplace, organizations and professions in the perspective of other advanced countries, it will address the following questions:

1. its career formation of faculty members;
2. its background of the lowest academic mobility: the Japanese academic marketplace and faculty appointments;
3. the development of faculty appointment policy;
4. fixed-term appointments in Japan; and
5. faculty appointment policy following incorporation of the national universities.

Although the chair system in Japan was imported from Germany before World War I, the Japanese academic marketplace and the appointment policy for faculty members are quite different from those of other highly developed countries. Moreover, Japanese higher education has changed little in recent decades, despite facing a crisis of student movements in the late 1960s. In recent years, substantial structural reforms have been introduced. The culture of accountability and an evaluation system have been applied, not only to teaching, but also to the output of research. Therefore, there is a crucial problem of how a particularly Japanese culture has been gradually changing to one with universal values under the globalization of academic organizations worldwide and a national culture of accountability (Cummings, 1972).

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The Career Formation of Faculty Members

It is very difficult to analyze the average careers of faculty members in Japan. However, it is possible to access their career trajectories by applying perspectives from measures of mobility (Yamanoi, 2001). The mobility of faculty is indicated by the ratio of inter-institutional movers to all faculty members by age. Figure 1 shows the mobility ratios by age averaged over the years 1983, 1986, 1989, 1992, 1995 and 1998.

In terms of the average mobility ratio by age, the average career formation of faculty in Japan comprises several stages. In 1983, the average mobility ratio of faculty was 1.6% a year. In 1995, however, the rate had risen to 2.3%. The average value over 15 years (1983-1998) was 2.02% a year.

In 1998, only 3,193 of the 146,153 faculty at higher educational institutions including 2-year colleges only 3,193 moved to other universities or colleges (those who moved from 2 year colleges constituted 2% of the total). Generally speaking, mobility of faculty derives from the process of selection for appointment. In this sense, the low mobility rate in Japan might indicate a quality of academic productivity that has not been well developed.

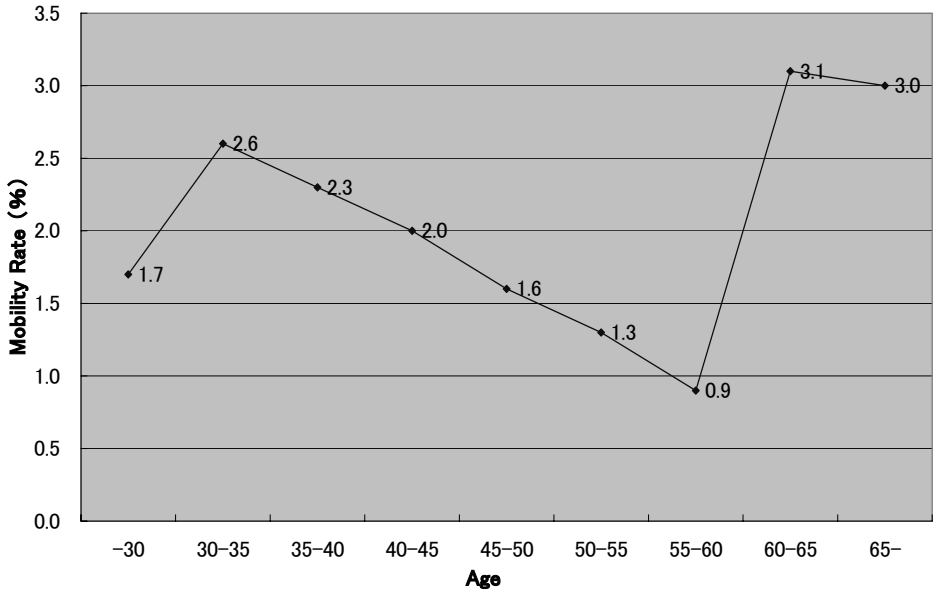
The first peak in mobility for Japanese faculty occurs between the ages of 30 and 35. Most faculty at this age have trained at national or private research universities. After training at graduate schools, some would remain there to continue their careers as research associates. Most of them, however, have to search for a new job immediately after their graduation. At this age they tend to move to a similar or even to a less prestigious institution or to a small private institution from a highly prestigious one.

It should be noted though that the average mobility reaches a peak at the age of 30-35 and then declines gradually to its lowest value at the age of 55-60. Generally, most faculty would gain tenure at an early stage of their careers, at around 30 years old when they became lecturers. They would not always need to move to other universities because no fixed-term appointments were made. Some who moved to other universities tended to return to research universities or their alma maters. According to research by the authors, the average age at which this U-turn mobility to their alma maters occurs is around 42 years old. Some move upwards to research universities. As most professors tend to be involved in university governance and management by the age 55-60, their mobility gradually decreases to the lowest value.

Then, as Figure 1 shows, a peak of average mobility of over 3.0% occurs in the age-range 60 to 65, immediately after retirement. The reason for this peak derives from the hiring system in the higher education system in Japan. After World War II, the Faculty Council decided that national universities in Japan would have a fixed faculty retirement age of between 60 to 65-year-old. The retirement age at the major national research universities was set earlier than that of other national regional universities located in local communities. Some professors who retired from national universities moved to private universities, which set a higher retirement age. In any event, researchers aged over 60 might find it difficult to substantially contribute to enhancing the quality of research, except in

some special fields. Therefore, the mobility of those over 60 years old may do little to promote the level of technology research. Analyzing the total average mobility ratios, except for those over 60-year-old, it turns out to be around 1.85% a year.

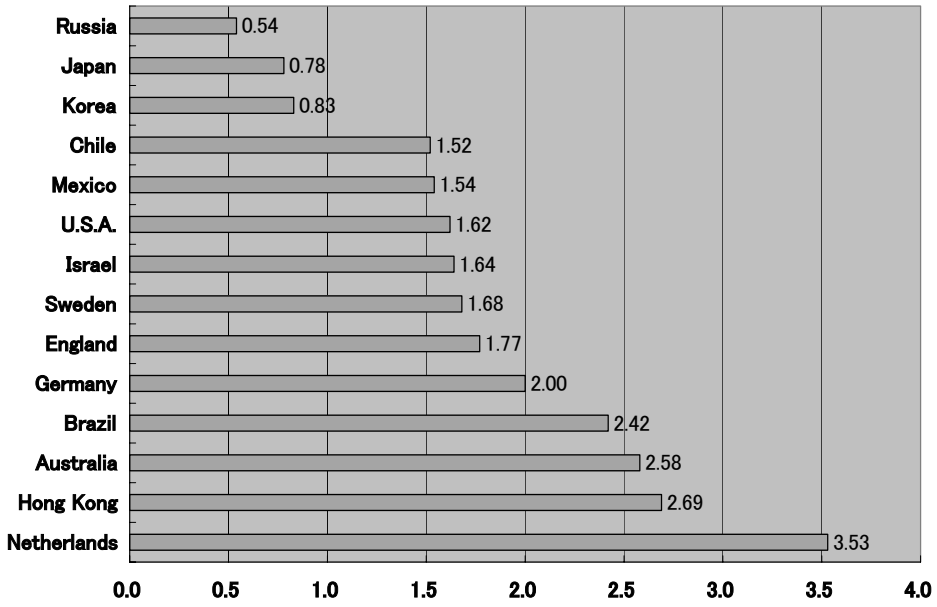
Figure 1 Average Mobility Rate, by Age, 1983-1998



Notes: Calculated from MEXT statistics.
Mobility Rate=number of mobile faculty/all faculty of a given ages×100

Where is the level of Japanese mobility located internationally? In the early 1990s, the Carnegie International Survey on Academic Profession was conducted in 14 countries (Altbach, 1996). However, it should be noted that the data concerning inter-institutional mobility of faculty was biased in the average ages of samples in each country. The average ages in the 14 countries ranged widely from in the 30s to the 40s. The average age of the Japanese sample was the oldest among the 14 countries. Therefore, the average annual inter-institutional mobility of faculty was recalculated by excluding the age bias in each country's sample (Yamanoi, 1996). Assuming that researchers might work for 30 years, the average number of occasions for inter-institutional movement during their entire careers was estimated. Figure 2 shows the average frequency for inter-institutional mobility of faculty in the 14 countries over their entire careers. The results show that mobility in Japan is the second lowest among the 14 countries. It should be noted that the higher education system in Russia, with the lowest figure, was in transition from socialism to capitalism when the survey was conducted. Considering that many Russian faculty members might have lost their jobs, mobility in Japan may really be the lowest in the 14 countries.

Figure 2 Carnegie International Survey: Inter-Institutional Mobility, 1996



Note: Calculated from CISAP data

The Background to the Lowest Mobility

Why is the mobility so low in Japan? The Japanese style of academic marketplace is considered to be behind the reason. Caplow and McGee (1958), American sociologists, defined the academic marketplace as the exchange of every kind of prestige in the higher education system; prestige of researchers, ranks and institutions and so on. There are, in practice, some barriers that interrupt free exchange of prestige in the academic marketplace in Japan (Yamanoi, 1990).

First, the inbreeding at traditional research universities in Japan has to be recognised. Around 80% of faculty at a number of the national and private research universities (old imperial universities like The University of Tokyo and University of Kyoto and traditional private universities like Keio University and Waseda University) are recruited almost exclusively from their alumni. The marketplace in these traditional research universities is not open to other graduates, who, in consequence are impeded from moving move easily to other research universities.

In addition, these national research universities also have a special group of “client” universities that have mostly recruited their graduates. They are called “the colonized universities”. This special relationship between research universities and the colonized universities distorts a free and open market. Furthermore, there is a issue of exclusivity in the form of academic cliques — *Gakubatsu* in Japanese — which reflect a particularly Japanese cultural element (Shinbori, 1965). Generally, the academic cliques consist of graduates from the same school. The groups work negatively by nepotism when a variety of decisions and allocation of university resources are determined in committees and

faculty meetings.

Consequently, the Japanese academic community is in fact a segmented market formed by the national, public and private universities. It is very difficult for private university graduates to move to national universities, especially to the national research universities; while national university graduates often move to private universities. Inter-institutional mobility between 2-year polytechnic colleges and 4-year institutions is very small, and the mobility of teachers at 2-year polytechnic colleges is the lowest of all.

The nature of Japanese academic appointments has also influenced the low mobility of faculty in the academic marketplace. As previously noted, most faculty attain tenure upon appointment as lecturers. In contrast, faculty in the United States of America (U.S.A.) generally achieve the right of tenure only when they gain the rank of associate professor. By adopting this "up or out" policy, faculty in the U.S.A. have been subjected to strict selection over several stages that have not granted them tenure. In Germany also, even though the Habilitation system has been changing rapidly, they basically have to pass the Habilitation and move to another university in order to gain promotion to a full professorship (Altbach, 2001; Enders, 2001; & Trower, 2000).

Moreover, when recruiting a new member of faculty, many national research universities and traditional private universities would make a list of candidates by nomination. One candidate would be selected from this list. In general, *sho koza* or the "small size chair system" has been the standard pattern of departmental structure within the national research universities although now it is improving to "the large size chair system". The "small size chair system" basically consists of a professor, an associate professor or a lecturer, and a research associate. Essentially, the professor in each "small size chair system" has strong powers over faculty appointments. When a professor retires, the associate professor would generally be promoted to the chair and an associate professor or lecturer might be recruited to the vacant post. New chairs at national research universities have not been recruited through an open search system; rather there has been a tendency to hire an alma mater graduate from the list of nominees. Inbreeding at prestigious universities in USA has been kept to less than almost 20%. In Japan, however, there are not so many policies to safeguard against inbreeding at research universities.

Further, the salary scale system for faculty in Japan is not based on incentives but on seniority of age and rank. Members of faculty at national universities get the same level of salary even when they move to another national university. Those having the same age and rank earn roughly the same salary. Therefore, there may be no strong motivation to move to other universities. In the background is the prevailing attitude toward egalitarianism in Japanese culture

Affirmative Action in employment for women or minorities has not operated positively in the Japanese higher education system. Notably, the proportion of female and foreign faculty in national research universities remains less than 5%. In 2001, the Association of National Universities recommended each national university to hire female faculty up to 20% of total faculty by 2010.

Development of Faculty Appointment Policy

Definite proposals for dealing with issues of the academic marketplace, faculty appointments and the academic structure in Japan were developed by the Central Education Council. In 1963, the Council first recommended that a fixed-term appointment for faculty should be considered in order to continuously recruit talented researchers. In 1965, Shinbori (1965) suggested improving the "small size chair system" and the system of granting tenure at an early age. In the latter half of 1960s, Japanese higher education was challenged by unprecedented student militancy.

After that, in 1971, the Central Education Council submitted a report, "*The Basic Measures for Comprehensive Expansion and Improvement of Future School Education*", which came to be known as "*The 46 Report*" (it was presented in the 46th year of the Showa Era). The section dealing with "*Improvement of Appointment and Benefits of Faculty*" referred to external evaluation of academic research performance, setting limits on the term of re-appointment, introduction of safeguards against inbreeding, and recruitment of high talented staff from outside the academic community. These proposals served as a starting point for recommendations and policies for university reform.

After "*The 46 Report*" was presented, some academic bodies submitted their own requests for improvement of faculty benefits to the Ministry of Education, Culture, Sports, Science, and Technology (MEXT). In response to these submissions, MEXT established under its authority the "Advisory Committee for the Improvement of Faculty Benefit". The Association of National Universities also created a standing committee on this issue. In April 1973, this committee prepared a draft plan: "*The Report on Improved Benefit for National Faculty*" (chaired by Shigeto Tsuru, president, Hitotsubashi University). The basic outline of its proposals for fixed-term appointments was as follows.

1. The names of grades should be revised and replaced by professors and research associates.
2. The term of appointment for professors at national universities should be 8-years. According to a review of academic performance, however, they would be allowed a reappointment for 8 more years and subsequently to continue to be renewed every successive 8-years until the age of retirement. The term for research associates should be 3 to 6-year with no renewal.
3. Measures for improvement of conditions should be implemented, such as raising salary levels, introducing sabbatical years, and expanding opportunities for mobility.

This reform plan assumed an improvement of working conditions by dramatically increasing the salary of national faculty. It was, however, also seen as the first legitimate draft that referred to a Fixed-Term Appointment System for national faculty though not for public and private university faculties. More than 10 years later, in April 1987, the Ad Hoc Education Council during the Nakanone Cabinet published "*The Third Recommendation Report on Educational Reforms*". In this report, proposals for a Fixed-Term System were mentioned for the first time. Moreover, it clearly defined that fixed-term appointments should be applied not only to relatively young faculties such as lecturers, but also to associate professors and professors.

Notwithstanding these proposals, no significant reforms of faculty appointments had been conducted in accord with the report until the 1990s. Meanwhile, drafts suggested by some of these proposals had influenced academic bodies that later addressed improvement of the faculty appointment process.

After *the Standard for the Establishment of Universities* was revised, discussion on fixed-term appointments was proposed by the Ad Hoc Education Council and first taken up by the University Council, which had been established in 1987. In 1991, the University Council, a major advisory body to MEXT, pointed out the need to consider implementation of a fixed-term system and a contractual fixed-term system, which would be independently determined by each institution. In addition, the *"Recommendation Report"* in 1994 presented some policies for improvement of faculty employment as follows: (1) raising faculty mobility; (2) recruiting researchers from outside the academic community; (3) introducing an open search system; (4) establishing standard criteria for selection processes for faculty appointments; and (5) employing foreign and female faculty (Yamanoi, 2003).

The Fixed-Term Appointment System in Japan

It is widely asserted that academic mobility should be raised in order to raise the quality of research performance within the academic community. In 1997, the *"Legislation of the Fixed-Term System for Faculty Members"* (hereinafter called the *"Fixed-Term Law"*) was enacted based on "*The Final Report: 'A Fixed-Term Appointment of Faculty Members in Relation to the Revitalization of Teaching and Research in Universities'"* submitted by the University Council in 1996. According to this law, each institution is able to introduce a fixed-term system only by applying one of the three types of fixed-term appointments approved by the law: (1) the research organization type; (2) the research associate type; and (3) the research project type. No institution could apply any other fixed-term contracts to faculty appointments except these three.

The first type recognized by *the Fixed-Term Law* is the research organization type. This mainly addresses advanced, interdisciplinary, or comprehensive teaching and research, because research organizations need personnel exchange from high mobility. The second is the research associate type, which is for young researchers who work in areas of advanced research. Generally, research associates are involved in a variety of roles, such as research, teaching, and administration. However, young researchers, such as research associates in natural and technological science fields, are required to achieve high-level research performance under excellent research conditions. The third is the research project type that relates to those with a defined goal and the schedule of a research project. In particular, the researchers of this type are likely to move to new posts at other institutions because they have little expectation of renewal of their appointments.

Once Faculty meetings of chairs, departments or graduate schools decided to introduce a fixed-term system for their faculty, they have to select one of the three types. At the same time, they also

have to decide to which grades it should be applied: professors, associate professors, lecturers or/and research associates; of course, the research associate type could be applied only to the rank of research associate. It is possible, however, for the other types to be applied to any grades. In addition, each institution should determine in Faculty meetings, the length of term and the procedures for renewal. Generally speaking, the "small size chair system" or small units have strong power when Faculties discuss and determine their opinions.

The Trends Since *the Fixed-Term Law* was enacted in 1997, the number of institutions and faculties implementing the fixed-term system has been gradually increasing. In 1998, a total of 21 institutions: 14 national universities, 2 public universities, and 5 private universities introduced the system (MEXT, 2001). Four years later, in 2001, the total number had increased to 147 institutions: 55 national universities, 11 public universities, and 81 private universities. The rate of growth of institutions introducing the fixed-term system increased by around seven times over four years. Private universities especially showed the most rapid increase. The 147 institutions that had introduced the fixed-term system accounted for around 21.3% of all universities in Japan (690 institutions) by 2001. In terms of university sectors, the rates of introduction by university sector were respectively: national universities, 55.0%; public universities, 14.9%; and private universities, 15.5%. So, it might be said that the fixed-term system has been implemented mainly among the national universities.

On the other hand, the total number of faculty to whom fixed-terms applied was minuscule: in 1998, 99 faculty distributed: national universities, 74; public universities, 8; and private universities, 17. By 2001, the numbers had increased to a total of 2,884 faculty in147 institutions: national universities, 1,666; public universities, 169; and private universities, 1,049. The growth rate of the number of faculty on the fixed-term system was around 30 times over these four years. Especially, private universities showed a significant increase in their numbers during this period. Nonetheless, the number of faculty on the fixed-term system accounted for only 1.9% of the total faculty in Japan as of August 2001. By university sector, the proportion of faculty involved in the national universities is around twice that in the private universities. However, regarding universities which have implemented a fixed-term system, the proportion in national universities was the lowest among three sectors: national universities, 3.9%; public universities, 7.6%; and private universities 5.5%.

Data for the following discussion was based on a survey carried out over all universities in Japan on August 1, 2001. Although these data have a margin of error of less than 0.5%, by being based on the official statistical data from MEXT, in practical terms the error has no effect on our statistical conclusions.

The Academic Fields and the Units As is shown in Table 1, the academic field that has introduced the fixed-term system most is medicine. Thus, FTS faculty in medicine occupied 63.4% of a total 2,842 faculty on FTS. At national universities, the proportion is over 74% but it is less than 40% at public universities. On the other hand, the number of academic units of medicine using FTS accounts for only 27.8% of the 352 academic units that had introduced the fixed-term system in 2001.

So far, the reasons why the fixed-term system was more commonly introduced in medicine have not been established. It may be suggested, however, that some of the reasons might relate to the career formation of faculty, the high inbreeding rate, or to university reforms in this academic field.

Table 1 The Number of Faculty with Fixed-Term Appointments, by Academic Fields (%)

	National	Public	Private	Total
Humanities	35 (2.1)	11 (6.5)	140 (6.5)	186 (6.5)
Social Science	30 (1.8)	11 (6.5)	93 (8.9)	134 (4.7)
Natural Science	272 (16.7)	37 (21.9)	91 (8.8)	400 (14.1)
Medichine	1,208 (74.0)	64 (37.9)	529 (50.9)	1,801 (63.4)
Interdisciplinary	68 (4.2)	45 (26.6)	150 (14.4)	263 (9.3)
Others	20 (1.2)	1 (0.6)	37 (3.6)	58 (2.0)
Total	1,633 (100.0)	169 (100.0)	1,040 (100.0)	2,842 (100.0)

Note: Calculated from MEXT survey data

Table 2 shows the number and proportion of academic units introducing a fixed-term system by university sectors. The units can be divided into five categories: “undergraduate schools”, “graduate schools”, “institutes”, “hospitals affiliated with a Faculty of medicine” and “others”. In the national universities, it is institutes that have mostly implemented the fixed-term system: 71 institutes (42.8%). In private universities, on the other hand, it is undergraduate schools that have more commonly introduced the system: 138 units (81.2%). Moreover, the number of faculty to whom the fixed-term system applied in undergraduate schools was 1,739 (61.1%) of the total, 2,842 faculty members; in private universities especially, the number of faculty amounted to 961 (92.4%).

Table 2 The Number of Faculty with Fixed-Term Appointments, by Academic Units (%)

	National	Public	Private	Total
U-Graduate Schools	38 (22.9)	7 (43.6)	138 (81.2)	183 (52.0)
Graduate Schools	43 (25.9)	1 (6.3)	5 (2.9)	49 (13.9)
Institutes	71 (42.8)	6 (37.5)	27 (15.9)	104 (29.5)
Hospitals	13 (7.8)	1 (6.3)	0 (0.0)	14 (4.0)
Others	1 (0.6)	1 (6.3)	0 (0.0)	2 (0.6)
Total	166 (100.0)	16 (100.0)	170 (100.0)	352 (100.0)

Note: Ditto

The Types The results in Table 3 show that of the total of 2,842 faculty with fixed term appointments, 2,194 are of the “research organization type”. By university sector, in private universities, the “research associate type” was occupied by over 40% of the total faculty on the fixed-term system; while the “research organization type” accounted for more than 80% of those with FTS

in the national and public universities. The proportion of those in the "research project type" is only 2.2% (62 faculty) of the total of 2,842 faculty; and 75.8% of those are in private universities. Private universities, on the other hand, account for 72.9% of the total number of faculty of the "research associate type". This implies that the combinations of the three types introduced at private universities are varied. It could also suggest that personnel affairs in Japanese universities may be affected by many and different factors.

Table 3 The Number of Faculty with Fixed Term Appointments, by Types (%)

	National	Public	Private	Total
Research Organization	1,492 (91.4)	136 (80.5)	572 (55.0)	2,200 (77.4)
Research Associate	128 (7.8)	31 (18.3)	421 (40.5)	580 (20.4)
Research Project	13 (0.8)	2 (1.2)	47 (4.5)	62 (2.2)
Total	1,633 (100.0)	169 (100.0)	1,040 (100.0)	2,842 (100.0)

Note: Ditto

The Grades In Table 4 is given the number of faculty on fixed-term appointments by grade of appointment. According to the results, the proportions by grade are respectively: research associates, 59.2%; professors, 18.3%; associate professors, 11.7 %; and lecturers, 10.9%. However, the combinations of rank introduced by each academic unit are extremely varied. Allowing for some units that do not have specific grades, the combinations can be categorized into three groups: "grades above lecturer", "all grades including research associate" and "grade of research associate only". The proportion of units introducing the "grade of research associate only" was 43.2% (i.e.152 units of total 352 units), followed by the "all grades including research associate" (36.2%) and the "grades above lecturer" (20.5%): It suggests that various combinations of grade might draw on a strong chair system.

Table 4 The Number of Faculty with Fixed Term Appointments, by Grades (%)

	National	Public	Private	Total
Professor	349 (21.4)	42 (24.9)	128 (12.3)	519 (18.3)
Associate Professor	227 (13.9)	51 (30.2)	54 (5.2)	332 (11.7)
Lecturer	133 (8.1)	36 (21.3)	140 (13.5)	309 (10.9)
Research Associate	924 (56.6)	40 (23.7)	718 (69.0)	1,682 (59.2)
Total	1,633 (100.0)	169 (100.0)	1,040 (100.0)	2,842 (100.0)

Note: Ditto

The Length of Term The length of the fixed term at national universities ranges much more widely than it does in other sectors (Table 5). It ranges from 1- to 12-years, though a 5-year term is commonly set across all university sectors. In addition, the number of 7- and 10-year terms both rate over 10% at the national universities. On the other hand, the fixed-terms introduced in public universities are exclusively for either 3 or 5-year terms. Private universities occupy a middle range, with a 3-year term most commonly introduced and no term over 5-years. As Table 5 shows, the number of faculty on the fixed-term system in private universities would hit three peaks for 1, 3, and

5-year terms. The reason why the term for private university faculty is less than 5 years could be related to regulations in the *"Japanese Labour Standards Act"*. This act does not allow independent corporations to set their fixed-term contracts for more than 5-years. However, no reason is established for fixing the term at less than 5-years for faculty in the public universities; it may draw on their status as local governmental servants.

By grade classification, the terms set for professors show several peaks: at a 1-year term, 15.8%; a 3-year term, 11.8%; a 5-year term, 27.9%; and a 10-year term, 30.3%. The terms for associate professors or lecturers, on the other hand, have three peaks, at 3-, 5-, and 7-year terms; and for research associates two peaks, at 3- and 5-year terms. The younger generations are mostly on 5-year terms with associate professors, 54.8%; lecturers, 35.9%; and research associates, 48.3%. Unlike the system in the U.S.A., the Japanese system has no 7-year term. These differences may arise from the adoption in Japan of a system in which each institution can exercise its autonomy to decide various elements in relation to its fixed-term system.

Table 5 The Number of Faculties with Fixed-Term Appointments, by Length of Term (%)

	National	Public	Private	Total
1-year	40 (2.4)	0 (0.0)	183 (17.6)	223 (7.8)
2-year	63 (3.9)	0 (0.0)	28 (2.7)	91 (3.2)
3-year	143 (8.8)	58 (34.3)	600 (57.7)	801 (28.2)
4-year	68 (4.2)	0 (0.0)	16 (1.5)	84 (3.0)
5-year	926 (56.7)	111 (65.7)	213 (20.5)	1,250 (44.0)
6-year	34 (2.1)	0 (0.0)	0 (0.0)	34 (1.2)
7-year	167 (10.2)	0 (0.0)	0 (0.0)	167 (5.9)
8-year	2 (0.1)	0 (0.0)	0 (0.0)	2 (0.1)
10-year	183 (11.2)	0 (0.0)	0 (0.0)	183 (6.4)
12-year	7 (0.4)	0 (0.0)	0 (0.0)	7 (0.2)
Total	1,633 (100.0)	169 (100.0)	1,040 (100.0)	2,842 (100.0)

Reappointment It is very important to analyze the prospects of renewal within the fixed-term system because the a culture of tenure where the right to tenure was given to young faculty such as lecturers has operated in Japanese higher education for a long time. As is shown in Table 6, only 15% of the 2,842 faculty on the fixed-term system could not renew their contract; and 67.6% of them have no limitation on renewal till their retirement year. In the national universities, 74.9% of faculty are effectively able to enjoy campus life until retirement if they are successful in each term evaluation. This suggests that the background of the Japanese tenure culture has had an influence. Even in the research organization type, 67.9% of faculty have surprisingly no limitation on renewal. This may be against the spirit of *the Fixed-Term Law.*

By academic fields, the faculty without renewal rights in humanities and social science account for 31.3% and 41.8% respectively. This may be because private universities have many academic staff in these fields. Particularly, in social sciences the faculty with unlimited renewal rights account for only 29.1%, the lowest rate. On the other hand, the highest proportion is 77.9% in medicine.

Even though a renewal is approved, the length of term after the second term may vary. Indeed, the terms for 21.7% of the faculty with a right of renewal (total 2,415 faculty) vary; while terms for 79.3% do not. There are a few who may be granted a second term to work until retirement or whose term after the second term may be set longer than the first. The second term is, however, generally shorter than the first term.

As discussed above, the fixed-term system has been implemented in a variety of forms. The number of fixed-term posts has certainly been increasing gradually. However, they still encompass only a very small proportion of all faculty in Japanese universities. On the other hand, more than two thirds of the total faculty to whom the fixed-term system is applied have no limitation on renewal. Furthermore, the standard criteria of evaluation have not been discussed so far. Moreover, with a few exceptions, most universities have made no preparations for criteria or for the process of evaluation yet. In reality, the fixed-term system may come to resemble a tenure system. So at present the fixed term system has been largely unable to raise the mobility of faculty in Japan.

Table 6 The Number of Faculties with Fixed Term Appointments, by Number of Times for Renewal (%)

	National	Public	Private	Total
None	82 (5.0)	8 (4.7)	337 (32.4)	427 (15.0)
1	321 (19.7)	51 (30.2)	5 (0.5)	377 (13.3)
2	7 (0.4)	0 (0.0)	6 (0.6)	13 (0.5)
3	0 (0.0)	0 (0.0)	55 (5.3)	55 (1.9)
4	0 (0.0)	0 (0.0)	6 (0.6)	6 (0.2)
5	0 (0.0)	0 (0.0)	44 (4.2)	44 (1.5)
Unlimited	1,223 (74.9)	110 (65.1)	587 (56.5)	1,920 (67.5)
Total	1,633 (100.0)	169 (100.0)	1,040 (100.0)	2,842 (100.0)

Faculty Appointment Policy following Incorporation of National University

Japanese national universities have been positioned as part of the governmental organization and directly controlled by the national government. However, the *"Legislation of the National University Corporation Law"* was enacted in July 2003 and in spring 2004 the national universities became the Independent Administrative Institutions formally separated from central government. The new National University Corporations will have wide managerial-autonomy independent from the government. Generally, each institution will individually hold a legal authority (personality). On the other hand, each national university must prepare a *"6-year Action Plan*" to be approved and evaluated by MEXT six years later.

The status of faculty and staff of national university corporations will be converted from that of the public service to non-public service. Therefore, regulation of personnel policy will become more flexible. Hitherto the National Personnel Authority has regulated personnel affairs of national universities because faculty and staff have been positioned as civil servants. Now, national university corporations will have to establish their own employment regulations. Their recruitment style, pay system, and working hours are no longer restricted by the framework of *the National Public Service*

Law. Instead, each institution has to create a new personnel system and apply to the Regional Labor Standards Authorities for approval. This strongly suggests that the new personnel systems will be profoundly affected by market mechanisms and pressures inherent in a knowledge-based society with other accompanying social changes.

First, the number of academic institutions introducing fixed-term appointments will continue to increase gradually. The forms of recruitments will diversify into tenured, fixed-term, part-time or the many other variations as found in the U.S.A. (Finkelstein, Seal & Schuster, 1998). Compared to other countries, there is already a temporary downward trend in part-time employment at universities in Japan. Fixed-term appointments exhibit the many problems discussed above. Notably, many universities have yet to establish standard criteria to review reappointment and to share in the culture of the fixed-term system. Furthermore, the Japanese academic marketplace has yet to create a mature relationship between universities and outside communities.

Second, the relationship between universities and society will be in transition, paralleling moves to advance the knowledge economy and knowledge-based society. Given the Japanese demographic projections, it becomes very important for universities to secure sufficient candidates for admission and new students because of a stiff, competitive market. Each institution, therefore, needs to develop a new mission for faculty, such as admissions officers. In the relationship between universities and industry, academic institutions also have to create a new relationship to develop joint research and secure outside financial resources. Consequently, many universities have been establishing Technology Licensing Organizations (TLO) and joint research centers with commercial enterprises. Faculty working for these organizations have to take on new roles. Further, one of the issues that university reforms have focused on, is teaching at universities. To this end, universities have now established research institutes for higher education, to improve and evaluate university teaching. In the future, they will need to have faculty to provide students with counseling on issues such as learning, career planning and job searching.

Finally, as a part of structural reform of universities, it should be extremely important to establish new personnel systems to reflect the diverse roles and activities of faculty. Equally, each institution will need to introduce an impartial performance evaluation system and provide incentives to secure capable human resources.

Conclusion

As has been discussed, appointment policy in Japan for faculty might have not delivered many positive effects although university reforms have been carried out over a long period. Notably, it appears that the Japanese fixed-term system is not always being successful, even though the number of institutions that have introduced fixed-term appointments has gradually been increasing. Universities have seldom provided any standard criteria for a performance evaluation system or an incentive system. Moreover, the relationship between the fixed-term system and academic productivity has yet

to be carefully examined: there is a view that the fixed-term system has not contributed to academic productivity. In addition, the system is unpopular with faculty because they have long been used to enjoying the right of tenure from an early age. Therefore, the fixed-term system might need to be reviewed by each institution or academic body following incorporation of the national universities

Even though some university reforms have been recommended to MEXT several times, the issues on inbreeding and underemployment of female and foreign faculty are not necessarily resolved by ceding individual autonomy to research universities. So far, the university reforms have not been successful in raising the mobility of faculty. However, the incorporation may bring national universities a good opportunity to introduce more widely managerial techniques and personnel system based on those in the private sector. The personnel policy of a fixed number of chairs or department system according to the *"Establishment Law of National Schools"* will be abolished. All the faculty posts in each institution can now be managed by the university president and Faculty meetings. If the personnel system for faculty could be successfully changed by introducing a more competitive environment, the segmented Japanese academic marketplace would more open and the mobility of faculty could increase. In this process, the roles of academic bodies, like the Association of National Universities that first recommended an introduction of the fixed-term system in 1973, will become considerably more important.

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Presentation 4

Governance Reforms in Japanese Higher Education System

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Governance Reforms in Japanese Higher Education System

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Higher Education Reforms in Japanese Universities since the 1990s

The legacy of the pre-war hierarchical and privileged higher education system, and post-war reforms has left Japanese universities comprised of three different sectors: the national and public sectors are controlled by the government and the private sector is market-oriented (Amano, 1978; Clark, 1983; Dill, 1992). The national, public and private sectors established by different founders are expected to play different roles and carry out diverse functions by facilitating the advancement of basic, applied or major scientific research, providing students from different backgrounds with general and professional education, as well as providing higher education opportunities for the community.

With the introduction of various reforms undertaken by the Japanese government since the late 1990s, the higher education system has changed and will change even more (Table 1). The reforms introduced in the first half of the 1990s, placed more emphasis on curriculum reform resulting from the deregulation of the *Standards of University Establishment.* Currently more stress is focused on reforms to the operation, management and governance of the whole system. The goals of the reforms lie in stimulating competition among universities, upgrading the quality of education and research and efficiency of resource allocation, cultivating personnel, enhancing national effectiveness in a global economic competition, and building a new system.

The trends of the reform are to introduce systems adopted in some Anglo-Saxon countries, especially an evaluation system based on the model of the UK, and to enhance accountability to strengthen market-oriented mechanisms through allocation of government resources, accompanied by contract funding or performance funding. Since the latter part of the 1980s, and because of reduced subsidies from governments, universities in Europe, the U.S. and Australia have made efforts to promote education service and to generate various research grants; that is to say, the methods of entrepreneurial governance or management have been introduced into universities. Alternatively it can be said that in response to various demands on higher education, the concepts of academic capitalism and the entrepreneurial or enterprise university became a reality that is not dominated by governments but dependent on the autonomous endeavors of universities (Slaughter & Leslie, 1997; Clark, 1998; Marginson & Considine, 2000; Williams, 2003).

Japanese national universities, however, have operated under control and protection, as an

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affiliated institution of the government, and are only partially oriented to market mechanisms. The incorporation of national universities from April 2004 will significantly change this relationship. It forms a key part in all related reforms (Huang, 2002; Oba, 2003).

With this reform, the legislative base for all national universities will change from the Ministry of Education, Culture, Sports, Science and Technology (MEXT) to individual national university corporations. Theoretically, more autonomy will be delegated to the national universities. Administrative organization in the universities will also be reconstructed. In addition to a President, a Board of Directors, an Education and Research Council and an Administrative Council will be set up. These will all work together as an integrated governing body at institutional level, constrained by some restriction of powers invested in faculty meetings within each Faculty. The powers of the bureaucracy within each university will be more expanded than those that of collegial staff. Furthermore, the operations of national universities are to be based on individual 6-year medium-term goals and plans. The Evaluation Committee of the National University Corporations will evaluate each university every six years. Based on the evaluation, the plans and resources for a subsequent term will be determined. Government funding will be appropriated to each national university corporation in block grants, and therefore more flexibility will be achieved.

The reform is not confined to administrative reforms at institutional level, but also affects governance patterns at system level, including the relationship between the government and each university. If the national university corporations proceed as agreed both by the national universities and by MEXT, the incorporation will lead to more autonomy for national universities. As a result, the Japanese national universities, which OECD categorizes as the most rigidly government controlled universities (2003), will become more market-oriented and Japanese higher education will be more activated. It should be pointed out that, although the national universities contribute only about 20% of the total number of students, they provide an exemplar for the whole system, and exert a significant influence on both public and private sectors. Consequently, at present, it will be up to local governments to follow precedent by adopting measures for incorporation of public universities (Law of Local Independent Administrative Corporations, July 2003). At the same time, private universities have also to consider reforms designed to strengthen their management.

But, even now full implementation of incorporation of the national universities appears likely to be deferred until after April 2004. It is still not clear whether the reforms in management and governance will weaken or strengthen control by the government, lead to the decline of basic science, change the role of university fundamentally, or determine what kind of final form Japanese higher education will take as a result of implementation of various policies. Dr. Koshiba, a Nobel Prize winner and professor emeritus of the University of Tokyo, expressed doubts about the possible decline of basic science due to the incorporation (11 June 2003, interview by Kyodo News); while Professor Sawa from Kyoto University criticized the former Soviet-style, rigidly controlled planned system (Asahi News, 27 May 2003).

These criticisms by two of the leading scholars in natural science and social science actually present us with a conflict of opinions. On one hand, there is a concern as to the harmful effects caused by commercialization; on the other hand, there is criticism of excessive control resulting from rigidly controlled plans. It is indeed extraordinary that the same reform has been criticized from two completely different perspectives, even though an ambiguity is regarded as a usual way to solve problems in traditional Japanese society. The reason why this is difficult to understand is that the reform of governance of the national universities is involved with wider political and administrative reforms, including reforms of ministries and departments at the level of central government. There is a coexistence of different orientations, but lack of an authority that can reconcile the different orientations.

Table 1 Trends of Higher Education Policies in Japan

1. Introduction of Evaluation Systems

a. Introduction and implementation of a third-party evaluation system (agreed in April 1999)
b. Introduction of an accreditation system (agreed in Nov. 2002, implemented in April 2003)
c. Introduction of a policy evaluation system (Act for Policy Evaluation Administered by the Public Sector; implemented in April 2002)

2. Implementation of Strategic Science and Technology Policies

a. The Second Science and Technology Basic Plan 2001-2005 (established by the Council for Science and Technology Policy)
・ Increase of governmental R&D expenditure (an amount equivalent to 1% of GDP; 24 trillion yen in each fiscal year 2001-2005)
・Prioritization of R&D on national/social subjects (8 subject areas e.g. life sciences)
・Increasing the amount of competitive research funds (326.5 billion yen [2001] increasing to approximately 600 billion yen [2005])
b. Strategic Formation of COEs (administered by MEXT)
・Annual distribution of up to 1 billion yen to each Center for 5 years from S&T Promotion Funds (4 billion yen to four Centers in 2002)
c. 21st Century COE Programs (initiated by MEXT in June 2002)
・Distribution of 100-500 million yen to each program for 5 years (151 Programs)
d. Distribution of Funds to Prioritized Areas
・Prioritization of funding relating to science and technology by the Council for Science and Technology Policy (2003)
e. COL (Center of Learning) Programs (initiated by MEXT in Nov. 2003)

3. Mobilization of Academic Staff

a. Introduction of Fixed-term Appointment System (1997)

4. Introduction of Entrepreneurial Management Systems to National and Public Universities

a. Reorganization and consolidation of national universities
・Consolidation of single-faculty universities into comprehensive universities; consolidation of teacher-training universities and faculties
・Expansion of institutional scale
b. Introduction of a corporate system for public universities (July 2003)
c. Incorporation of national universities (April 2004)

d. Recommendations for strengthening management at private schools (*On the improvement of Incorporated School System,* Oct. 2003)

5. Promotion of Business-Academic-Public Sector Cooperation

a. Formation of regional clusters (2002-)

・ Establishment of intelligent clusters (administered by MEXT in 2003, each based on local government, 12 designated regions, 6.9 billion yen)

・ Plan for Industrial clusters (administered by MITI in 2002; 19 projects [3,800 companies and 200 universities involved], 38.5 billion yen)

6. Grand Design for Higher Education

a. Formation of Grand Design for Higher Education (Central Council for Education, Oct. 2003)

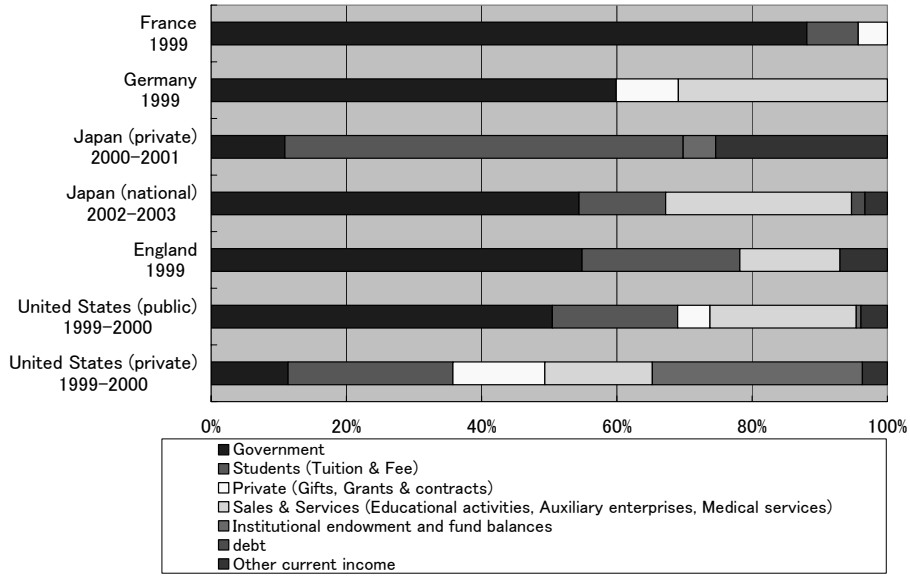
・ Classification of higher education institutions; setting of the whole scale; demand for human resources and distribution of them to each region

Why are Higher Education Reforms fuzzy? － Turbulence of Governance and Absence of Real Actors

Two Principles of Governance in Reforms The core of the reform of governance lies in a decision of who is to be the major actor of governance in higher education. Although MEXT was originally responsible for promoting the reform, its status as a protector or guardian of the national universities, meant it was unenthusiastic about implementing a corporate system; while the national universities were even less enthusiastic about the reform. In response, Prime Minister Koizumi and senior government officials in the Ministry of Public Management, Home Affairs, Posts and Telecommunications as well as other supporters of administrative reforms exercised pressure by suggesting reductions in the fixed number of public servants or even implementation of complete privatization of the national universities. It was in this context that in 1999 incorporation of the national universities was decided upon.

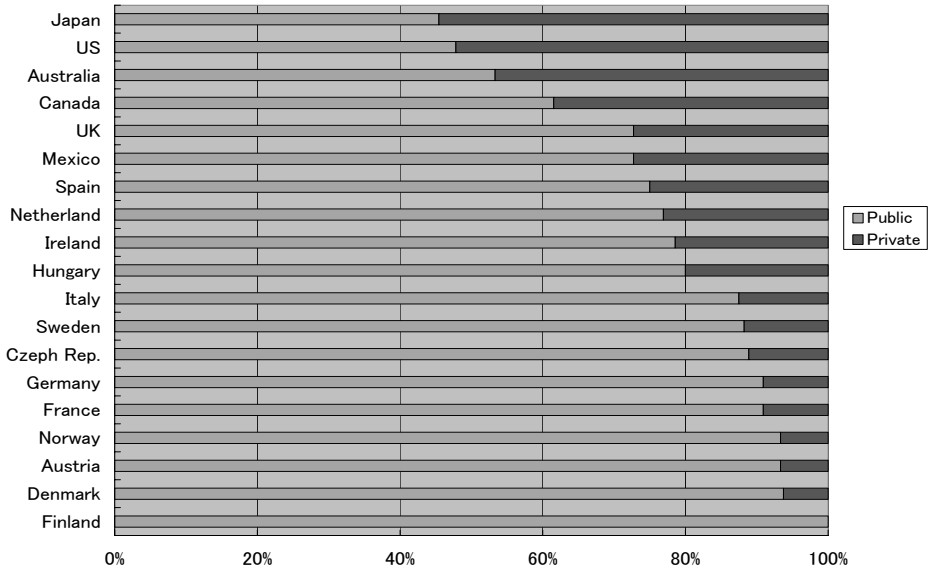
When the decision for incorporation was made, it was agreed that it would be implemented on the basis that the government should play an active role in affairs of all national universities, and continue to provide necessary financial support, although all the national universities would attach much importance to accountability. However, in reality, the share of resources appropriated by the government for the national universities is not high, and in terms of resources, privatization has already been in progress, something about which national universities complain vigorously (see Figure 1 & 2). While still acting as a protector of all the national universities, MEXT attempted to implement the plan. It declared its intention to confer autonomy upon each national university, insisted that the government should be the trustee for all national university corporations and should shoulder the responsibilities of governance and finance.

Figure 1 Sources of University Revenue



Source: US; *Digest of Education Statistics* 2002, Japan (national); MEXT (2003), Japan (private); *The Promotion and Mutual Aid Corporation for Private Schools of Japan; England, Germany, France*; Center for National University Finance.

Figure 2 Relative Proportion of Public and Private Expenditure on Tertiary Educational Institutions



Source: OECD (2003)

The final legislation, however, does not confer the status of corporations on the national universities. Instead it stresses that each national university corporation should assume responsibility for governance and finance as the trustee of a national university. The original plan to establish university corporations was started in 2000 as a part of a system of independent administrative corporations. It was based on an administrative reform that aimed at reduction of financial allocations

from government, and enhancement of efficiency. National universities, therefore, which are asked to assume responsibility for their own finances, are in fact destined to achieve the aim of reducing the allocation of resources from the government.

As the operation of the independent administrative corporation system involves the aims and plans of a corporation being decided and approved by the appropriate ministry or department of the central government, allocation of resources and reorganization of a corporation are to be conducted on the basis of an evaluation. In addition to this, there is to be a further evaluation undertaken by the Ministry of Public Management, Home Affairs, Posts and Telecommunications. Hence in practice, governance by the government will still exist and indeed be strengthened merely adopting other forms. In order to get continuing financial support from the government, national universities will have to accept such controls. A desire for these controls led to their introduction into the *National University Corporation Law*.

In other words, the corporate system results both in the existence of control by the government and an expansion of autonomy in national universities that is accompanied with more financial responsibility: this seems to be paradoxical.

Reinforcement of Powers by Government and Higher Education Reform as a National Policy There are several reasons why the government sees a need to continue and reinforce its control through the new reform of governance. It seems that the new approaches to reform of higher education being adopted in every country indicate that, in terms of deregulation of higher education institutions or the costs covered by students or consumers, the reforms have drawn public and private sector closer together. However reform at a system level is not a kind of privatization, but only a countermeasure adopted by governments to stimulate cooperation between industry and universities, invest priority in strategic research projects, diversify research resources and take up challenges from global economic competition. It is also a part of reorganization of a new political, administrative and economic system dominated by the government.

In the US, after the end of the Cold War, in order to realize a transition from an era of military competition to one driven by economics, and to promote cooperation between university research and industry, following the Bayh-Dole Act (1980) and related legislation, research grants were increased and entrepreneurial activities in universities accelerated (Miyata, 1997; 2002). In New Zealand, in 1999 after its failure in promoting marketization of higher education, a new policy was adopted. While cooperation and collaboration rather than competition were emphasized, the report *Tertiary Education Strategy 2002-07,* conceived higher education as an academic industry. In order to achieve aims based on this strategy, from the fiscal year 2004, a system of Performance Based Research Funding is to be implemented (Office of the Associate Ministry of Education, 2002). In the UK, according to the recent white paper, *The Future of Higher Education,* suggestions are made for promotion of equity in higher education access, giving funding priority to leading research universities,

and establishment of foundations for cooperation between universities and industry (Department for Education and Skills, 2003).

In Japan, in 1999 in order to avoid factional politics and bureaucratic sectionalism in various ministries and departments, and to strengthen the Prime Minister's leadership, reforms of ministries and departments in the central government were put into effect. These reforms aimed to reorganize the government and ministries, redefine administrative functions and enhance administrative effectiveness and efficiency. The powers of ministries and departments at the central government were not, however, weakened. Rather, additions were made to the overall functions of each ministry and department. For example, powers that were stipulated in the Fifth Provision of the Law of Establishment of Ministry of Education can still be found in the Fourth Provision of the Law of Establishment of MEXT, its successor ministry. Indeed, some provisions that were not written in the old Law, such as those "on education and research in national universities" (the Twenty-fifth Provision), were added. Moreover, the influence of other ministries and departments in the central government on MEXT has been further expanded.

In brief, the political and administrative reforms that are being implemented in Japan do not mean restricting the powers of government, but expanding its authority in different forms. Prof. Vogel (1997), who has analysed reforms in industry policies since the latter 1990s, has pointed out that, because the bureaucracy in each ministry wanted to defend their powers, they displaced them into new directions. So, the central government still maintains its regulatory authority of centralization as before (Miyagawa, 1997). Higher education administration provides no exception; indeed it typifies this pattern.

Turbulence of the Governance Actor The fact that government dominates governance continues as before. With implementation of the administrative reforms, one notable element is a weakening of the powers of MEXT, the major actor in governance. Only by looking at the actual process of planning the new system, it is possible to see that most of the original pledges made by MEXT have been emasculated. In the Diet, the paradoxical character of the corporate system caused great concern and criticism. Because of contradictory explanations by the Minister for MEXT, the Diet suspended the discussion and only resumed after the Minister had apologized (June to July 2003). Eventually, recognition of the autonomy of the national universities, and provision of sufficient resources by the government for their operation were included in the legislation approved by both the House of Councilors and the House of Representatives.

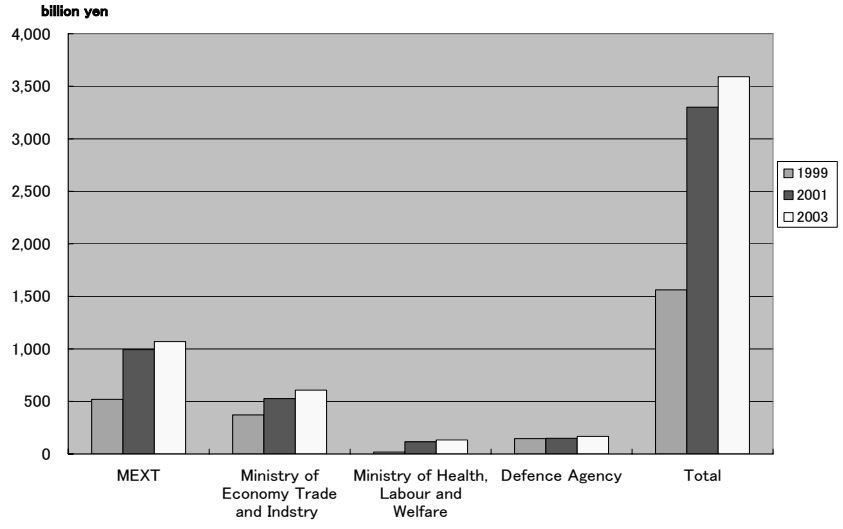
Although the legislation had been agreed by the Diet, in November the Ministry of Finance intervened. By using arguments based on deficit financing and the huge indebtedness of the government, the Ministry of Finance, which wanted to reduce the budget of the fiscal year 2004, quarreled with the MEXT and the national universities. In the event, most of MEXT's promises to the national universities to assure the scale of support and budgetary procedures proved to be worthless.

In fact, as early as in June when the budgetary compilation for the fiscal year 2004 was resolved, it had already been decided by the Ministry of Finance that even science and technology should not be treated as sacrosanct (June 9, 2003). It therefore became completely impossible to assure the necessary financial appropriation from the government.

One result of this dispute was a change to the authority of key ministers and the cabinet office. Political power can be identified as residing in three centers: the Cabinet Office, which is directly affiliated to the Prime Minister; the Ministry of Public Management, Home Affairs, Posts and Telecommunications with authority to make an overall adjustments; and the Ministry of Finance that exerts control over all other ministries and departments because of its overall budget authority. So, because of pressures from the Prime Minister's office and the Ministry of Finance, even proposals that had been passed by the Diet ended almost as mere scraps of paper. On the other hand, it is clear that MEXT, which used to be a powerful authority of governance for the national universities has rapidly lost its authority in the government. Consequently, paralleling the declining influence of MEXT, governance within national universities also suffered.

At the same time, influence exerted by the Ministry of Economy, Trade and Industry, which is the successor to the old Ministry of International Trade and Industry, in regard to the national universities became more significant. In line with the core policy of strengthening national economic competitiveness, it promoted cooperation of academia, industry and government, and increased the amount of various budgets. Total financial support reached 700 million yen, including 172 million budgets for joint research between universities and industry, 334 million yen for transfer of technology from universities, 136million yen on creation and support of university ventures and 51 million yen on encouragement of talent (see Figure 3). For budgetary convenience, even the method of evaluation of university activities was entrusted to a private company and was made public (Kawaijyuku, October 2003).

Figure 3 Budget of Science and Technology



Source: MEXT, 2003

In order to compete with other new entrants in science and technology, MEXT must stimulate cooperation between academia and industry, get the program evaluated by the Ministry of Finance and obtain a sufficient budget. According to the Resources Dependence Perspective, dependence on external resources will bring changes to university organizations (Pfeffer & Salancik, 1978), due to the policy of cooperation of academia, industry and government, dominated by the Ministry of Economy, Trade and Industry. Hence, control by MEXT may be further weakened and higher education reforms are likely to be subordinated to industry policy.

Governance as an Adjusting Mechanism If indeed incorporation is subordinated to administrative reforms and/or industry policy, several negative effects are predictable, as far as universities are concerned. First, there will be an excessive control by the government, reflected in various control and evaluation systems. It is concerning, for example, to find that there are seven control and evaluation systems in the corporate system:

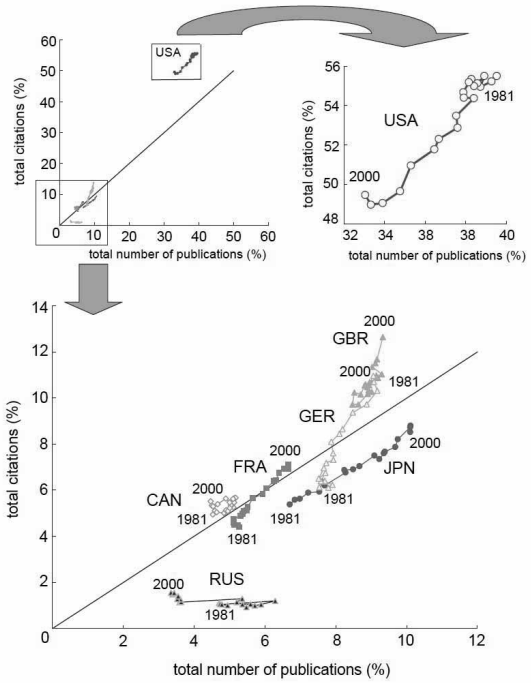
1. inspection of staff's duties by inspectors;
2. accounting inspection by auditors;
3. evaluation by the National Institution for Academic Degrees and University Evaluation;
4. evaluation by the National University Evaluation Committee;
5. evaluation by the Evaluation Committee of Independent Administrative Corporations in the Ministry of Public Management, Home Affairs, Posts and Telecommunications;
6. certification evaluation; and
7. accounting inspection by the Board of Audit of Japan.

There is also a policy evaluation by MEXT itself. This has led to major concerns both of how to avoid "mistakes in evaluation", and of "evaluation fatigue".

Second, harmful effects resulting from an excessive influence of market mechanisms can also be predicted, because there are both merits and demerits in the marketization of higher education. For example, in the US, in the 1980s a crisis was predicted due to the decline of student enrollment. Efforts were made to create wider demand for higher education, including non-traditional students, to generate new resources, and to streamline management. Ultimately success was achieved in expanding higher education (Kitamura, 1990). In the UK, reflecting the increased emphasis on research and a rapid rise in its share of papers and citation counts, it can be said that education and research were energized to a degree by marketization (see Figure 4). However, in the US, at an undergraduate level, the trend towards rapid growth in the field of management and rapid contraction in education, social science and humanities were criticized (Altbach, 1994; Kernan, 1997). Further problems exhibited by the U.S. and the U.K. as well as other countries are the low rates of tenure for young faculty and changes in academic work because of wide implementation of part-time systems (Roades, 1997; Chalmers1, 1998; Chitins & Williams, 1999; NTEU, 2000; Winefield, 2002, see Figure 5). In Australia, a worsening of student-staff ratios occurred particularly in new universities

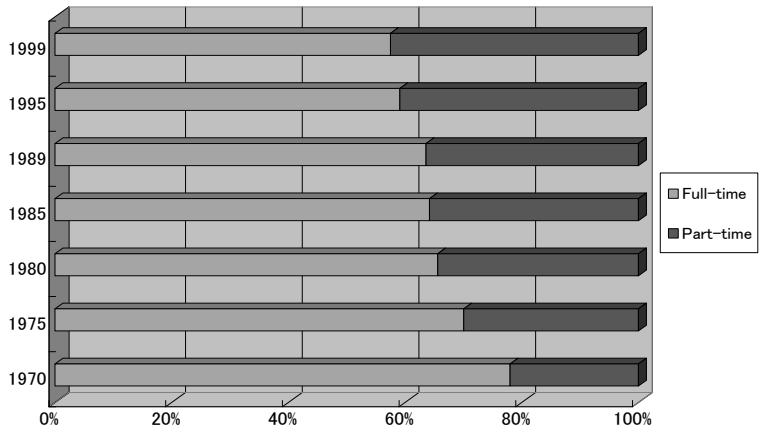
with low status (SEWRSBERC, 2001, Figure 6). As pointed out by Professor Burton Clark, "if not judged by academic values as well as managerial and budgetary interests for their appropriateness in a university, they can move an institution toward the character of shopping mall" (1998, p.139). It is inevitable that market mechanisms will accelerate self breeding of capital and income, and give rise to an unbalanced development of research areas, in particular to a decline of long-term basic research.

Figure 4 Trend of Citation and Number of Scientific Research Articles in Developed Countries



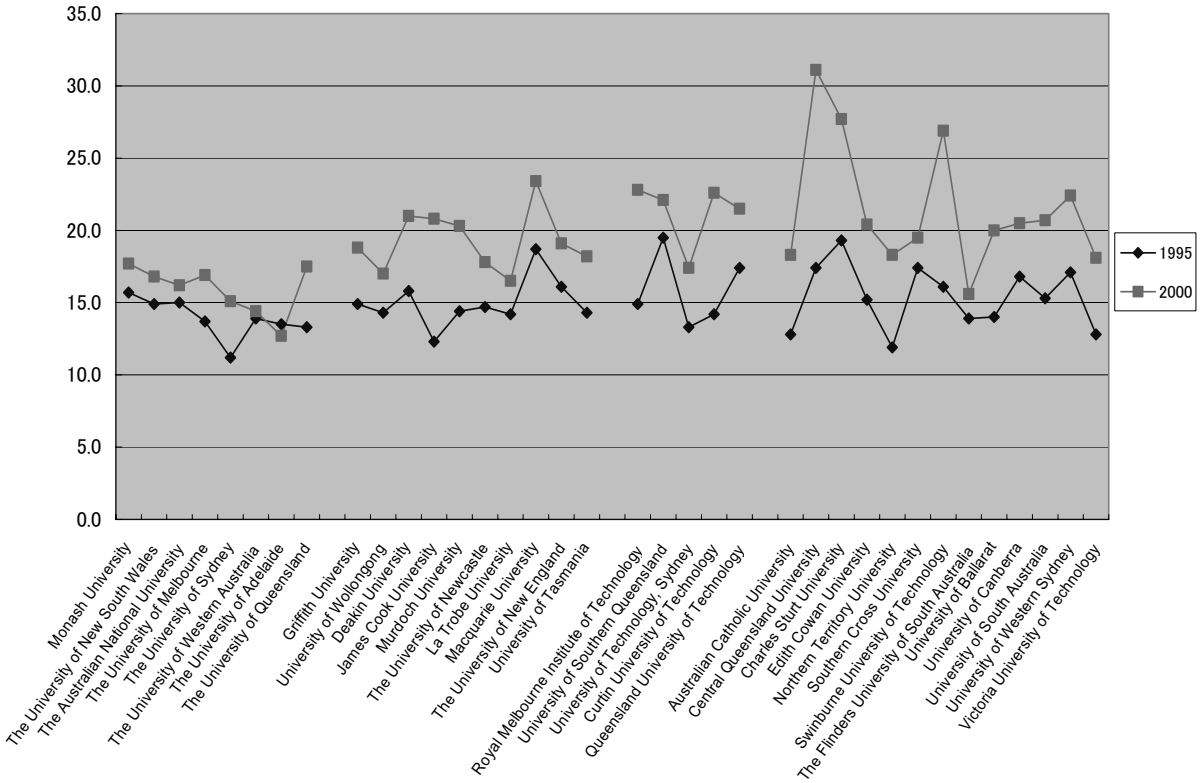
Source: MEXT (2002), *National Institute of Science & Technology based on Institute for Scientific Information, National Science Indicators 1981-2000.*
Note: This chart was constructed based on a data in *Science and Technology White Paper*, MEXT (2002).

Figure 5 Full-time and Part-time in Higher Education Teacher



Source: *Digest of Education Statistics*, 2002

Figure 6 Student-staff ratios (AUS)



Source: SEWRSBER, 2001

As there are still some unanswered basic questions as to whether market mechanisms are more efficient or can serve the public good, it is essential to develop various market regulations, such that the system that can correct "failures of the market", can formulate relevant policy and criteria, or ensure quality through performance monitoring (OECD, 2003b).

But market mechanisms will surely bring about winners and losers, so what is needed is not evaluation of individual institution or performance, but rather criteria that can be used to evaluate the whole system, and sustain ideals of justice and equity, without these it is impossible to carry out any market regulation. Although based on the British model, what is conspicuously lacking in Japan is the reform ideal that ensures higher education opportunity and its importance, and what can be used to ensure adequate financial support, as described in *The Future of Higher Education* (Department for Education and Skills, 2003).

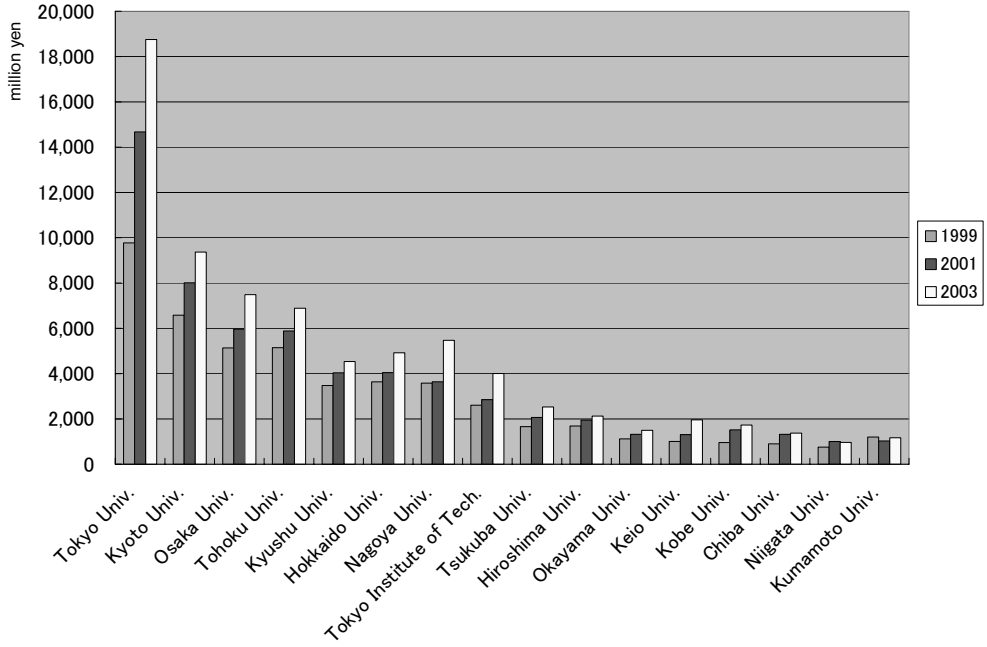
From the very beginning, even the development of structural reform in politics and administration driven by "New Public Management" varies according to the degree of how much welfare policy has been established socially in different countries. For example, in Australia, where there is a long history of adopting social democratic policies, even though policy was changed to introduce tuition

and fees; consideration was given to the incomes obtained by students after graduation (HECS). With regard to the introduction of university evaluation there, it is seen to provide a kind of measure that will retain the public character of higher education (AUQA). The third-party evaluation system was accepted in Japan because it emphasizes a fair evaluation of performance and allocation of resources, but especially evaluation of performance.

It goes without saying that conditions of fair competition must be created if a fair allocation of resources under market principles is to be realized. However, little or no consideration has been given to achieving this. The reason can be traced back to the structure of Japanese society. Through the post-war reforms the new Constitution was enacted in Japan, but only part of the Weimar model was accepted. The Liberal Democratic Party of Japan conceived building a welfare society as a basic ideal and formulated the framework for this in 1955. However, more emphasis was placed on economic growth within a planned economy, than on building the welfare society. Consequently, a lower priority was assigned to redistribution of benefits and personal welfare, such as social security, personal income and medical care. As Professor Esping-Anderson (1990, 1997a, 1997b), who analysed different types of welfare state, pointed out "Japan's welfare system combines — in fairly equal measure – key elements of both the liberal-residual and the conservative-corporatist model" (1997a, p.187).

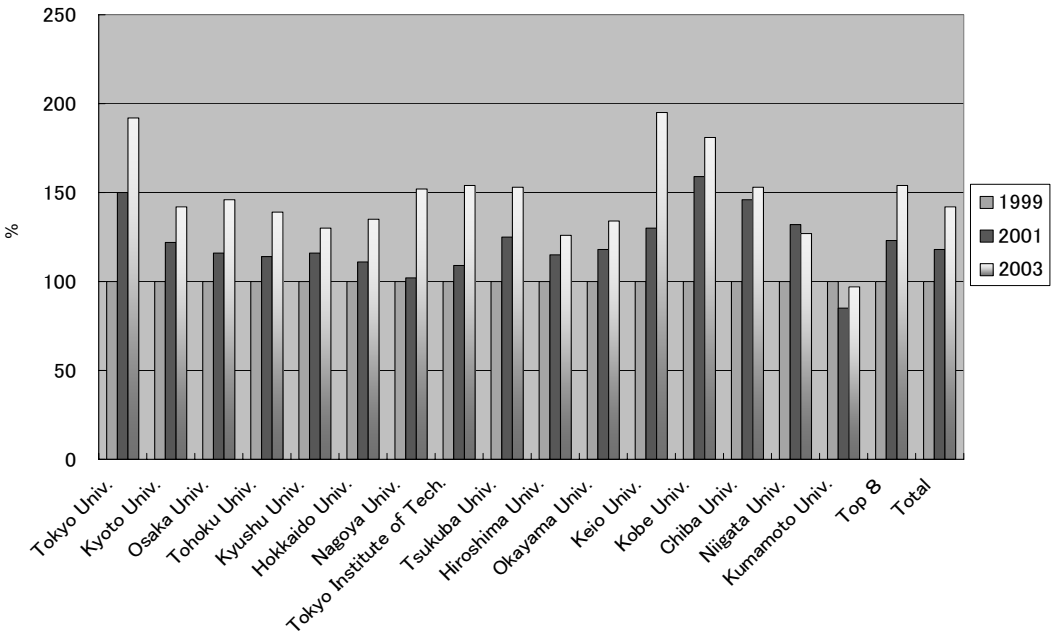
Although Japan did not experience the so-called golden era of the welfare state, that Europe experienced after the Second World War, and although social norms or principles such as justice or equity have not been well developed, restriction of government function and deregulation/market principles have been implemented (Hata, 2003). For example, after incorporation, if national universities assume financial responsibility, it is believed that government funding will be cut. As a result, 80% of the universities are considering increasing their tuition and fees, though it is totally unclear how to avoid a consequent increase in of inequity in higher education opportunity or a growing gap among universities due to the differences in their abilities to generate external resources (see Figure 7, 8, and 9).

Figure 7 Grant-in Aid for Scientific Research



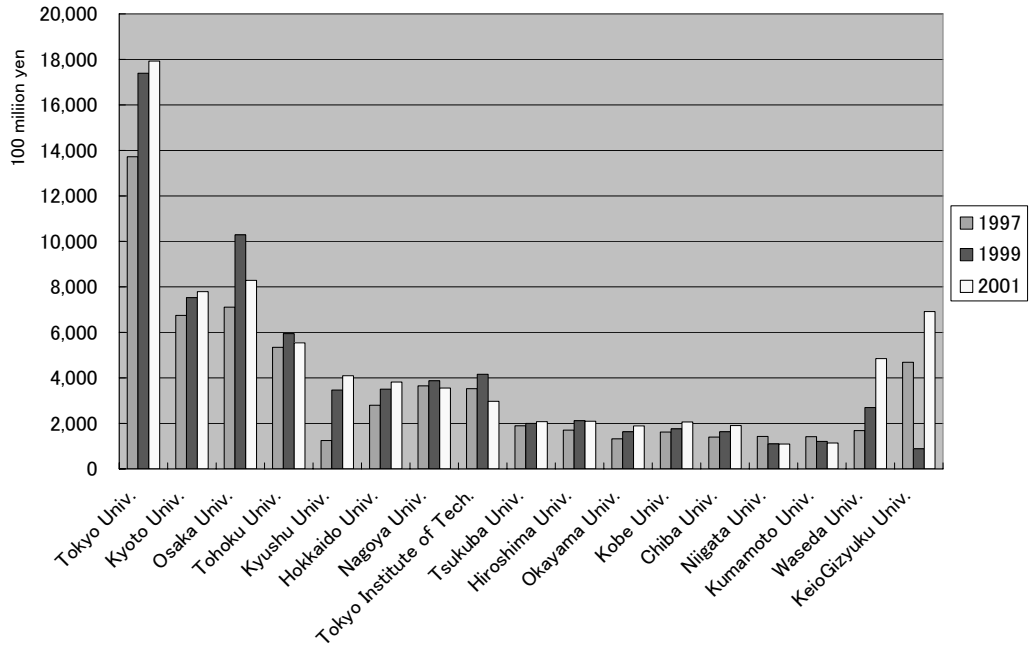
Source: MEXT, 1999, 2001, and 2003

Figure 8 Increasing Rate of Grant-in Aid for Scientific Research



Source: MEXT, 1999, 2001, and 2003

Figure 9 Contracts and Gifts Fund



Source: Asahi, 2000, 2002, and 2004

MEXT held discussions with the Council of Central Education about the "Grand Design of Universities" and is now discussing the future destination of the whole higher education system. However, even if the recommendations are accepted as policy by the government, it may be on the condition that no new financial burden will be accepted.

Conditions for Successful Incorporation of Japanese National Universities

Even if many concerns or doubts remain as to the system design and implementation of the proposed national university corporations, it is necessary to take measures to deal with most of the following concerns.

(1) Formulation of cycle of medium-term goals, medium-term plans, implementation and evaluation

・Procedure and practice with regard to responsibility for respecting opinions from national university corporations and evaluation committees

・Linkage between accepted goals/plans and budgets in individual universities

・Methods and functions of evaluations on performance, organization and individuals

(2) Functions, organization of various evaluations and inspections as well as their relationships

・Examination of the duties and responsibilities of staff by inspectors

・Accounting inspection by auditors

・Evaluation by the National Institution for Academic Degrees and University Evaluation

・Evaluation by the National University Evaluation Committee

・Evaluation by Evaluation Committee of Independent Administrative Corporations within the Ministry of Public Management, Home Affairs, Posts and Telecommunications

・Certification evaluation

・Accounting inspection

・Relationship between policy evaluation within MEXT and responsibilities within national university corporations

(3) Issues concerning government funding (operational grants and various competitive research grants) and resources of corporations

・Rules and methods for calculating operational grants

・Connection between evaluation and allocation of operational grants

・Scale of resources for science and technology at national level, including both private and government resources

(4) Linkage between plans for education and research and financial implementation and for financial implementation based on accounting standards.

・Classification of items of service expenses concerning education and research expenses (Provision 62 of Accounting Standards of National University Corporations)

・Profit principles for operational grants and accreditation on efforts of management (Provision 77 in the same document mentioned above, etc.)

(5) Personnel practices for academic, clerical, and technical staff

・Development of systems to guarantee the status of academic staff

・Development and recruitment of middle-ranked management personnel

・Arrangements for treatment of officials from MEXT

(6) Reorganization of institutional operational governance

・Top-down and bottom-up patterns of governance

・Centralization and decentralization

・Personnel development of top management personnel such as Presidents and senior management personnel such as Deans or Directors

The financial issue, in particular plays a key role in making universities work with an entrepreneurial management operating according to market mechanisms.

Creation of a market and formulation of an integrated income policy at institutional level

From a perspective of supply, since there is circulation of funding at both national and international levels, it is important whether individual institutions can integrate the income obtained from funding and determine themselves how best it should be used (Clark, 1998; Slee & Hayter, 2003). Currently, *the Science and Technology Basic Plan 2001-2005* is being implemented, but because of financial constraints, it is likely that the budget will be cut, It is planned that in 2005 the amount of research grants will be expanded by 1.7 times (from ¥3,490 m in 2003 to ¥6,000 m in 2005 fiscal year).

The amount of overhead expenses (mainly in connection with research grants) now stands at 6% and is expected to reach only 30% of full costs, lower than the amount of 40-60% in the US, where it is said that the autonomy of universities is secured through diversifying resources (Yamamoto, 1991). If research grants from the government increase and the overheads obtained from this part is enough to cover the amount being cut by the Ministry of Finance, it is possible that the influences exerted from the administrative and financial reforms will be diminished (Table 2).

Table 2 Operational Fund for Incorporation of National Universities (100 million)

	2003	2004	2005*	2006*	2007*	2008*	2009*
Operational Fund from Government	12,961	13,174					
Reducing rate 1%			13,042 (132)	12,912 (262)	12,782 (392)	12,655 (519)	12,528 (646)
Reducing rate 2%			12,911 (263)	12,652 (522)	12,399 (775)	12,151 (1,023)	11,908 (1,266)
Grants and Contracts (total)	3,490	3,620	6,000				
Grants and Contracts (national universities)	2,094	2,172	3,600				
Grant in-Aid for Scientific Research (national universities)	970	1,086	3,000				
Overhead Expenses	71 (7.3%)	103 (9.5%)	235 (7.8%) 366 (12.2%)				

Note: *estimate

Fostering Centralization and Decentralization of and within Universities The implementation of decentralization will change the relationship between the government and universities. At the same time, it will be necessary to implement a system of internal centralization in the governance of universities. In particular, when resources from services or contracts increase as a general source of revenue, it is necessary to adopt forms of centralization, in order to effect a redistribution or adjustment of these sources of revenue. In the report *Visions of New National University Corporations* (March 2002), models of centralization that strengthen the leadership of a President are provided, and it seems that plans in each university are being formulated on that basis. However, it is unclear what will happen to the educational organization within universities and in particular to academic units, such as departments and faculties.

The models of internal governance that are now adopted in entrepreneurial universities in both Europe and the US are called variously RCB/RCM (Responsibility Centered Budget/Responsibility Centered Management), RRB (Revenue Responsibility Budgeting), VRB (Value Responsibility Budgeting). These models of decentralization are characterized by responsibility for a range of affairs including income and expenditure being assumed at departmental level (Whalen, 1991; Massy, 1996; Clark, 1998: Lang, 1999; Strauss & Curry, 2003). But, what is meant by centralization here does not refer to the autonomy of a university as a guarantee of the academic freedom system in a traditional sense: "liberal market reform did not reduce university autonomy per se. Rather, it enhanced the freedom and autonomy of universities in the entrepreneurial sense, and diminished them in the collegial sense " (Marginson, 1997, p.231). Apart from such a form of decentralization, there is a form of centralization within the university based on decentralization that is responsible for the redistribution and adjustment of funding (Clark, 1998). Given that models of decentralization have also been introduced to Japan (Center for National University Finance, 2003; Hata, 2003), it will be necessary to monitor the introduction of decentralization and models of centralization, with a view to making adjustments to their operation.

Introducing Block Operational Grants In order to be responsive to changing needs and realization of efficient reactions by universities, as well as the best utilization of resources, the line-item budget must be changed and universities should be able to act with full discretion. Even if an amount of appropriation based on performance assessment is to be added to the allocation of resources from government based on the number of students and staff, it is necessary for each university to secure sufficient flexibility to be able to decide items of expenditure at its discretion, divert or utilize the operational grants in the next fiscal year, and so forth.

However, clarification of the costs of personnel and of equipment still remains in the framework of the operational grants that is being examined by MEXT. So most rules are still dominated by ministries and departments. For example, carry-over of funds from one fiscal year to the next will still be prohibited. Moreover, as differential measures of both income and expenditure are adopted, there will be a lack of entrepreneurial incentives, for an increase in the amount of incomes generated by universities themselves will lead to a reduction in operational grants.

The new system then does not reflect any achievements made by universities towards managerial accountability based on quotas, incomes and expenditures of national revenues, but rather shows the continuity of the so-called rule of Japanese budgetary dominance, which conforms to expenditure based on formulas. In a short, it is just like putting new wine into an old bottle.

Creation of Market Mechanisms for Teaching According to examples in the US, as the amount of external funding from marketization increases, it will exert only a limited effect on research but a negative effect on teaching（Leslie & Rhoades, 2002). However, both in the US or in the UK,

allocation of government resources occurs in the form of a block grant based on unit costs, corresponding to the number of students according to different **academic areas**, and facilitated by obtaining resources from competition to secure students by proving educational services (for example, in the UK, funding from the HEFCE, including personnel costs is 2.7 m for clinical Medicine, Dentistry, and Veterinary Science, ¥1.01 m for laboratory subjects (Science and Engineering), ¥760,000 for studio and fieldwork subjects, and ¥500,000 for all others). Whereas in Japan, where more emphasis is placed on research in the current national universities, the allocation from the government, excluding personnel costs but based on unit costs at the undergraduate level, is less than ¥60,000 for Science, and less than ¥30,000 for Humanities and Social Science, a very weak incentive for teaching**.** So long as the formula of the operational grant is unclear and it is based primarily on personnel (university staff) costs, the designated on unit cost element will remain is very low. The current allocation from government to the national universities is mostly determined by personnel costs (in total, about one trillion yen, see Table 3). Even here, resources are generated corresponding to items of expenditures in accord with the Japanese formula. If this formula is not changed and the amount of the government allocation on unit cost is not raised, neither will the fact that less attention being paid to teaching.

Table 3 Special Account for National Schools in 2003 **100 million yen**

Revenue		Expenditure	
Appropriations	15,256	Personnel expenses	14,742
Medival services	5,957	Research & Teaching	5,217
Tuition and fees	3,595	Hospital	3,493
Property income	343	Contact Research	1,727
Grant and contract	1,765	Debt payment	1,084
Debt	553	Educational plant	1,404
Others	576	Special facility	231
		Others	147
	28,045		28,045

Source: MEXT, 2003

Further, in the UK, US and Australia, tuition and fees exist within a framework that lightens students' burden, because systems of scholarships from diverse public sources have been established, either discounting of tuition and fees, or providing cash payments. Hence even if the burden of cost is transferred to students, no big conflict arises between the burden of cost and solvency. As there is no such framework in Japan, the diverse policies of tuition and fees instituted by each university in respect of marketization will need to be constrained.

Conclusion － Creation of Market Mechanisms and Adjustment of Failures of Market

To sum up, the incorporation of national universities in Japan can be effective, if accompanied by two apparently contradictory reforms. The first is to weaken the power of government control. The

second is however, creation of national control mechanisms capable of adjusting for market failure. At first sight, this seems to be a contradictory concept, but actually the two reforms are the two sides of the same coin. The reason lies in the fact that the essence of market mechanisms is a duality that needs both to respond to the reality of the system and to implement reforms at institutional or system level.

But who should be responsible for implementing the reforms? That is the most difficult problem. While politicians, the bureaucracy, universities, mass media and the community are talking about the importance of removing government control and expanding autonomy in national universities, it is actually the government that plays the most significant role in promoting the reforms. National universities, which should have become the subject of the reforms, are not given real autonomy.

If it is a so-called palace revolution, is it possible for national universities, which will be compelled to assume responsibility for their own finances to become more entrepreneurial and rid themselves of government control? Or, in order to secure allocation of resources from the government will they seek further responsibility and protection from the government, and give more weight to strategic research & development as a national policy through cooperation of industry, academia, and government? What is ironic is that no matter which way is chosen, it is likely that only a few privileged comprehensive universities will profit from the new system and even big universities — like Hiroshima University — might not be included.

Another possible innovation is fundamentally different from those due to government, the collegiate system, and the market. In the higher education systems of many countries where market mechanisms are being implemented, there exist various organizations, Presidents' committees (e.g. UK, Universities UK; Australia, Australian Vice-Chancellors Committee), associations of universities (e.g. US, American Council on Education; American Association for Higher Education), professional and governing groups (e.g. UK, Association of University Administrators; US, Association of Governing Boards of Colleges and Universities; National Association of College and University Business Officers), and other evaluation institutions that function as buffers between the government and universities. All these organizations play diverse roles including lobbying activities regarding to higher education policy, policy formulation, and accumulation of management information. Such national organizations build a foundation for a collegiate culture that transcends individual universities and can significantly restrict control by the government and mitigate harmful effects of the market. It can be said that they are mostly lacking and also most needed in the Japanese higher education system.

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Presentation 5

The Shift of the University Paradigm and Reform of the Korean University Systems

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The Shift of the University Paradigm and Reform of the Korean University Systems

Hyun-Chong Lee*

Introduction

The 21st century is witnessing development of a knowledge-based society characterized by globalization, advances in information technology, and expansion of the knowledge network. Virtually all aspects of our lives and activities are impacted by knowledge. The economy is driven by knowledge; the labor market demands knowledge-oriented manpower; and educational institutions are called on to put in place an effective system of generating knowledge. Since a knowledge-based society dictates the importance of knowledge-utilizing management practices, educational systems and functions will also require arrangements aligned with the advances in the knowledge-based society. Our core tasks in educational reform in the 21st century, therefore, lie in improving the knowledge infrastructure and creating and applying knowledge to various sectors of our society. Society in the current century is often referred to as the "3K Society", with the "3K's" standing for "knowledge media", "knowledge network", and "knowledge incubator".[1] The functions and roles of today's education are summed up in the "3R's" that now stand for "right time", "right contents", and "right placement".[2]

Such changes in our time press many countries to set forth a new paradigm in education and to funnel resources to create an efficient "knowledge web". Korea is no exception in this respect, and requires an effective system that can build a "creative educational paradigm" and lift the country into becoming a "high-powered brain and knowledge power". Surely Korea is not alone in this quest. Many countries worldwide are pursuing education reform to meet the needs of and further fortify their knowledge-based societies.

A nation's development strategy, aiming to build a knowledge-based society, would obviously have to incorporate the country as a whole, but priority should certainly be given to strengthening the competitiveness of the educational system; above all other social institutions, it is the educational system that is in charge of generating, applying, and reproducing knowledge.

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[1] Lee, H-C. (1999), The New Era of Televersity and Andraversity in the Campusless Society: Virtual University and its Implication in Korea, Europea Academia Conference, Sweden, (Unpublished presentation material)

[2] Lee, H-C. et al. (2001) Virtual University? Educational Enviornments of the Future. London: Portland Press, 117-122

This applies to all the countries of the world. They are highly committed to building educational systems that can function efficiently in a knowledge-based society. The United States, for example, has implemented educational reform on four occasions since the late 1970's. Come the current century, countries such as China, Japan, United Kingdom, Germany, and France have focused heavily on reform of higher education by means of quality management of university education, among others. Many countries, including Korea, are seeking effective ways to promote a knowledge-based society and are searching for answers. They believe that one of the answers lies in establishing an efficient and competitive education system. They seem to concur that the crucial task in fostering a knowledge-based society is to efficiently construct a knowledge-producing structure contributing to the creation, application, and restructuring of knowledge. Details of this task would include designing a new paradigm of the requirements for becoming a knowledge power and on the maximum use of relevant tools to this end, as well as an integrated system allowing for the efficient communication of knowledge

Against this backdrop, reform of higher education must be pursued in a way that places top priority on efficiently building a structure for the generation and distribution of knowledge.

The Changes in the Higher Education Environment and New Paradigms

Changes in the Environment of Higher Education and Five Areas of Vulnerability

Changes in the environment of higher education have occurred in two forms: educational and structural. They can be expressed in terms of five areas of vulnerability that universities face. Many institutions of higher learning throughout the world today are struggling to survive, a challenge not unrelated to changes in the university environment. The struggling institutions basically lack competitiveness and the ability to stand on their own feet. On the structural side, they are weakened by various inefficiencies, while educationally they are made stagnant due to the stifled creativity of their constituents combined with an absence of an interdisciplinary approach to research.

An in-depth view of some of the vulnerabilities of universities leads to the conclusion that the general reality of higher education today is not entirely rosy.

Vulnerability in Academic Management Universities are of the common opinion that academic management is in need of change. In particular, the calls upon universities to specialize in certain disciplines and to pursue academic excellence are pressuring the institutions to search for ways to decentralize and make academic management more efficient. Although efforts to this end are underway, an observation of the current realities of the world's universities reveals that there still is much room for improvement in academic management. Deficiencies in this area are considered to be the main culprit behind the overall weakness of universities. To be more specific, the weakness is a consequence of offering a vast array of fields as majors at both departmental and college levels —

analogous to the chaotic lines of shops in a mega-mall — coupled with the lack of an interdisciplinary approach among different fields of study and of an "educational service-minded" style of academic management catering to the needs of the student users. Thus, urgently in demand are creative variations in the administration of elective courses and courses in the fields of majors, as well as a shift toward an open system of administration of the curricula among colleges and programs. The lack of interdisciplinary approaches among colleges and departments, together with an excessive focus on applied sciences for the purpose of good job placement has created an imbalance, with the humanities and social sciences attracting less practical demand. Given these problems, an open system of academic management and an integrated development and management of curricula could be the answer. While maintaining the distinguishing features of a discipline, similar courses should be combined or eliminated, and, when necessary, curricular programs should be offered at the discipline or college level. Another problem area relates to teaching methods and faculty development. Lecture-type or instructor-centered teaching should give way to student-centered learning outcomes. Establishing faculty development centers and learning resource centers would be possible starting points toward innovation in education.

Restructuring of universities, as part of the efforts to accommodate the changes in the environment of higher education, should concentrate on reform of academic administration. Only when effective adjustments are made can reorganization of the courses offered and an interdisciplinary approach become possible. Then, more elective courses dealing with rapid technological advances will be available and confer on students a greater freedom of choice. Only when the excessive multitude of undergraduate major fields are reorganized and a wider selection of elective courses is designed can efforts toward restructuring of academic management bear fruit.

Vulnerability in Financial Structure Korea's universities, despite their short history, have already joined the ranks of the top schools in the world in terms of quantitative growth, standing second to Canada, taking into account the different population sizes. With regard to the quality of education, however, Korea's institutions of higher learning still lag behind. Deterioration in the universities educational environment is clearly evident in various indicators. They show that the environment is not only poor but is increasingly worsening. Laboratories for practical training and a host of other facilities are not up to global standards.

The root cause behind such problems is the insufficiency of educational funding, which appears as low educational costs per student. These two aspects are a result of an excessive dependence on student tuition charges and the passive attitude of government towards financial support for universities. The private universities, which have been subject to government influence and at the same time been neglected by the government, are especially hard hit in their finances. Despite a nation-wide emphasis on science and technology and the need to produce quality research manpower,

many universities are increasingly suffering from financial difficulties although educational budgets appear to have grown. The government's role in providing funds for such universities and their research activities does not seem to have achieved much.

The financial problems of the Korean universities are in part due to the high share of student tuition fees in the institutions funding sources. Major universities in the advanced economies depend less heavily on tuition; they receive much greater support from government or contributions from the public than universities in Korea where only about 14% of the finance of the total educational budget is provided in this way Korea. Private Korean universities, which constitute about 60% of all the universities in Korea, depend on student tuition for around 75% of their total expenses. The nationwide average, including both private and public schools, stood at 68.7% in 2002. In the same year, only about 4.4% of the current expenses of private universities came from government coffers.[3]

The Shrinking Population for Higher Education Higher education today must cater to student consumerism. In other words, students must be viewed as consumers. It is true, in Korea, that the number of people receiving higher education relative to the total national population is rather large: a whopping 86.7 percent, one of the highest rates in the world, of high school graduates pursue higher education.[4] From 2000, however, the number of college applicants and the places available at the universities were about equal, which left some seats empty at a growing number of institutions. Given this trend, more universities will be unable to fill their classrooms. Such a decrease in the number of students is likely to compound the risk factors of Korea's universities. This decline is noticeable, not only in Korea but also in many other countries, perhaps with the exception of China, and is serving as a catalyst for restructuring of universities. Ultimately, some institutions may suffer from severe structural vulnerabilities.

As the student population shrinks, the hardest hit universities will be those highly dependent on student tuition, as their financing sources will also shrink. The financial difficulties will inevitably lead to bankruptcies of or mergers between institutions.

Changes in the Perception of Higher Education Universities are often referred to as ivory towers. The metaphor of an ivory tower represents a traditional view of universities since the Middle Ages, embodying romanticism and idealism amidst the solitude and freedom associated with higher learning. Perceptions of universities today, however, are undergoing change that defies the connotations of an ivory tower. Thus, traditional pedagogy and the contents of education are being forced to change. From design of departments and fields of majors, to university constituents, there is little, if any, that can withstand the pressure for change. It is perhaps no surprise that universities that

[3] Korean Council for University Education (2003), The Current University Financial Indicators, Seoul: Korea. (Unpublished university policy studies)

[4] This statistical figure includes air and correspondence university student population and college equivalent degree granting school population.

have failed to live up to such new perceptions are facing situations of vulnerability in this time of transition. The new perceptions are characterized by the concept of an "education industry". Under the ivory tower metaphor, such ideas as an education market or a student client did not appear in the picture. But today's universities need to formulate a survival strategy to improve the quality of education for enhanced institutional competitiveness. Those that lag behind in this struggle to survive are the ones that will confront the threat of vulnerability. Departments, faculties, and colleges that do not cater to students are at a higher risk of meeting a doomed fate.

Lack of Efficiency-Oriented Mindset in Educational Management Change in perception of universities is characterized by a shift from a supplier-centered to a consumer-centered view. The university as supplier of education can achieve stable growth only if it offers quality education to students as consumers. Korean universities, however, are not all equipped to provide such quality education, since financial predicaments, inefficiencies in curricular administration, poor research results, and limitations in current teaching methods all stand in the way of progress.

Therefore, not all universities in Korea are on the path to continued prosperity. The institutions that are unable to satisfy the consumers of education will be forced to restructure. An important requirement in becoming an effective college is an efficiency-valuing mindset in the management of the institution. People in Korean universities, unfortunately, are not very familiar with this, and even those with such a mindset have excessively focused on corporate-style business management philosophies or techniques while failing to blend them into educational missions. This has caused them to damage the very nature of higher education. Tough times call for tough management. Further, an effective integration of education and business management is a prerequisite for growth of universities and their success in executing their societal responsibilities. Korean universities are undoubtedly unprepared in this regard. In short, lack of an efficiency-oriented mindset in educational management is one serious cause of the vulnerability that they experience today.

Together with such a mindset, a change in the attitude of senior members of the universities is a critical challenge.

A Paradigm Shift for Universities in the 21st Century Institutions of higher learning throughout the world are faced with one difficulty or another depending on the circumstances of the country in which they are located. Korean universities are no exception in this respect and are witnessing threats that were experienced by some developed countries during the 1980's. The western universities in the 1980's had set forth a survival strategy incorporating the 3R's of "reduction", "reallocation", and "retrenchment". These 3R's also represent the tasks that Korean universities need to undertake as part of their restructuring efforts.[5] Standing at the starting line of the 21st century, our

[5] Lee, H-C. (2000). Universities along with the 21st Century, Seoul: MinEum Publishing Co., p.44-55.

universities have to transform and adopt new paradigms. The strategies they design should reflect this need for change.

The systems of higher education in the 21st century are expected to simultaneously adopt two major changes. In its structure and management, one change would converge and reflect the various social, economic, cultural, and political external changes that are taking place; the other would pursue forward-looking strategies for self-development and survival. Given these projections, the prevailing university educational system would be an open one, conducive to executing its functions and roles in an efficient manner.

These system changes can be expressed in terms of the five paradigm shifts delineated below.

First, the idea of a multitude of separate departments and fields of majors will give way to an interdisciplinary approach to research.

Second, mobility among disciplines, program systems, and schools will increase and become more commonplace.

Third, teaching methods will accommodate one-on-one learning and allow for arrangements for a “credit banking” or a “license” system. Moreover, off-campus education programs such as the "home schooling" or “study-at-work” offerings will become popular alternatives. Other characteristics such as “time-sensitive learning” and “transnational learning” will also permeate the educational scene.

Fourth, one dominant factor in the future system of higher education will be the dynamics of supply and demand. The flows of human and physical resources of universities should factor into the paradigm shift. The inward-looking practices of higher education are likely to taper off and give way to such borderless concepts as “no major”, “no school year”, “no nationality”, and “no required courses”. In addition, the student admission process is expected to become more creative and diverse. Specialized admission policies should be able to address the issue of diminishing applicant pools (since 1999), and partnerships with foreign universities and joint degree programs should alleviate some of the tendency for applicants to aggressively compete for top-ranked schools.

Fifth, an interdisciplinary and joint-major approach in curricular administration should dilute distinctions made at the departmental level. Further, “community university programs” are foreseen to grow to strengthen cooperation among universities, businesses, research organizations, and the local communities. At the same time, the promotion of life-long learning programs should see changes in the student body in terms of age and part-time commitment, and also bring about varied enrollment and credit policies, credit banking systems, and license programs. In short, the system of higher education in the 21st century will shift to one centered on the consumer and user. Life-long learning and liberalized programs will gain greater popularity. What is important in such a transformed system is specialization, diversification, customer-oriented approach, networks, cooperation, competition, and quality management.

Major Reforms for the Higher Education System in Korea

In today's information-based society, competitive education is contingent on bold reform of the present system of higher education. Thus, any discussion of such reform is predicated on a shift toward new paradigms, which in turn are conditioned on changes that meet the requirements of the knowledge-based society.

To begin, with this in mind, we must establish a general direction for reform of systems of higher education.

In order to realize growth by capitalizing on quality manpower, what is called for is a fundamental reform of higher education. More specifically, universities, under the mission of fuelling a new growth engine, should play central roles in producing human resources in research, meeting industries' needs for technological manpower, and engaging in community innovation activities.

General Directions for Reform of Higher Education Higher education in a knowledge-based society should capture the dominant trends in globalization, information technology, specialization, and diversification to enhance competitiveness. Therefore, it is meaningful to suggest the general directions in which reform of higher education should be oriented.

Universities may be fortified and made more competitive by pursuing reform toward the three goals delineated below.[6]

Enhance Universities' Autonomy The Ministry of Education and Human Resources Development (MOE&HRD) should sharpen its focus on policy-oriented activities while granting independence to the universities to plan and execute all other necessary functions. In parallel, strict evaluations, audits, and information disclosures should be conducted on all affairs subject to independent management by the universities in order to enforce accountability of the institution responsible.

Induce Competition to Strengthen Educational and Research Capabilities Outstanding programs and institutions should be selected, by type and function, and cultivated by funnelling support and investment so that they become globally competitive.

Provide Intensive Support to Selected Universities The uniform university support initiative should be abolished immediately and replaced by selective financial assistance to those top institutions identified to lead the way towards healthy competition among institutions. Resolute

[6] Won, J-K. (2003). Reform and Prospects of Higher Education in Korea, Korean Council for Education International Conference, Dec. 2003, Seoul: Korea.

decisions to enforce shutdown of uncompetitive and financially unstable organizations should be implemented.

Major Reform Tasks of Higher Education in Korea

2A (Autonomy & Accountability) Strategy With a view to conducting a thorough review of the issue of university autonomy, distinctions should be made among the different types of institutions of higher learning. A research-oriented institution would be encouraged to expand a college-based program system and include a more diverse segment of the population in the student body; while a technically-oriented institution would be allowed to admit students on a department-based program system.

Currently, only the integrated programs that offer both a Master's degree and Ph.Ds are provided for in the nation's education laws. In order to alleviate problems related to such integrated programs, governing provisions should be provided for in the Higher Education Act to encourage quality students to pursue further studies at graduate level and at the same time provide greater leeway for institutions to offer diverse degree programs. Also under consideration is a plan to introduce a joint degree system with foreign universities so as to implement joint curricula.

The MOE&HRD is called upon to carry out university evaluation procedures strictly and to enhance accountability on the part of the universities as they acquire greater independence. To this end, it has been agreed that a system for prior notice for evaluation and regular evaluation sessions should be set up; and that a database of the evaluation data be created to build up and share information on the institutions in question. This accessibility to school information is expected to help students and parents to make well-informed decisions on universities. Moreover, an organization to undertake the sole mission of university evaluation is being established to add greater authority and expertise to the evaluation process.

In addition, the current system for evaluating faculty, centered on research contributions, has room for improvement and change. We are advised to consider developing different faculty evaluation models based on the type and function of the institution and to take the results into consideration in decisions on promotion, incentive payments, research stipends, and renewal of teaching contracts.

2C (Competitiveness & Cooperation) Strategy It has been agreed to expand the number of "Center for Teaching & Learning" currently established in forty-some universities, to reinforce efforts toward developing and sharing effective teaching and learning methods in as many institutions as possible. The ultimate goal, needless to say, is to maximize the learning performance of students.

Also planned is implementation of a graduation certification system to raise the quality of the products of higher education. The system would certify students that meet graduation requirements concerning character and professional skills as valued by the community. In addition, a corporate

satisfaction survey will be conducted to induce universities to be informed of and to give heed to some of the needs of industry, and relentlessly strive for excellence in research and study.

Universities will be encouraged to lessen their dependence on the National College Entrance Exam as a measure of applicant qualification. Instead, they will be urged to develop and put in place diverse screening procedures that would accurately identify and reflect individual student's aptitudes and competencies.

The Restructuring of Universities In an effort to encourage alliances and mergers among universities, the government will reduce class sizes of merged universities to an optimum level, which is expected to help them improve their educational quality. The government will also seek ways to make up for any financial deficit suffered by the allied or merged universities as a result of reduction of class sizes until their reorganization is complete.

Special administrative and financial support will be provided for alliances among state-run universities. The government plans to revise relevant laws and regulations including, among others, the Higher Education Act and the State-run School Establishment Act, with a view to providing a legal basis for an allied university and expanding the autonomy of the allied university in its budget, organization and personnel management. The government will finance each step of this procedure.

In order to assist private universities with their voluntary M&As among themselves, and expedite closure of financially weak or insolvent educational foundations, the government plans to revise the Private School Act in the first half of 2004 on the basis of the results of the policy researches currently under way.

With a view to encouraging reduction of class sizes and mergers of departments of universities, the government will set annual goals for improvement of educational quality, such as the student-faculty ratio.

Enhancing Research Activities of Universities On the basis of a careful analysis and evaluation of the results of the BK21 Project (1999-2005), the government will formulate a Post-BK21 Project focused on science and technology development in the new growth driving industries and national strategic industries (including 6T's areas).

In an effort to achieve this goal, the government plans to select universities in the Seoul Metropolitan Area and in the provinces that are deemed superb in terms of educational and research environment, and support them to the full extent to make them research-oriented universities of world class.

The Basic Science Promotion Project, for which a total of 300 billion won is provided during the period between 2002 and next year, has produced fruitful results for the balanced development of sciences and the nurturing of new academic generations. Encouraged by this achievement, the

government will further extend the project in and after 2005 to formulate a Five-Year Basic Science Promotion Project (2005-2009) and continue to promote such basic areas as humanities, social sciences and Korean studies.

Provincial Universities's Role Change To achieve a balanced homeland development led by the provincial universities, the "Project for the Innovation of Provincial Universities" will be carried out starting in 2004.

The Project aims to equip the provincial universities with the capacity to play a central role in the Regional Innovation System (RIS). The plans under this Project are to be formulated jointly by the universities, local autonomous groups, businesses, research centers, and NGO's and thereafter reviewed and selected by the central government. The interests and opinions of the regional consultative bodies will be reflected in the process.

The Project intends to evaluate and support entities based on type (large, medium, or small) to help produce specialized graduates. It will funnel support to competitive areas of the 13 regions outside the Metropolitan Area to encourage specialization in the provincial universities.

The selected fields will be offered long-term (five years) financial support. Also, in order to bring about voluntary restructuring such as the reduction in classroom size, support will be granted to only those universities that meet minimum requirements in terms of student population and faculty staffing.

The Project is expected to maximize synergy in regional development by coordinating the strategy on regional industrial development and manpower training plans.

Medical School & Law School Reform More universities will be encouraged to follow the examples of the 16 institutions that have decided to create schools of medicine and dentistry at the graduate level to replace the comparable undergraduate programs. In addition, discussions on judicial reform by the Judicial Reform Committee will address legal arrangements for the establishment of specialized graduate schools, such as law and business schools, prior to the end of 2004.

Such a system of specialized graduate schools should produce more competitive experts in their respective fields, as students are made to acquire a general undergraduate education before being exposed to intensive and specialized curricula at the graduate level. This is also expected to lessen some of the unhealthy competition in seeking undergraduate programs that traditionally lead to practicing professions, thereby instilling higher effectiveness in undergraduate and high school education.[7]

[7] Lee, H-C. (1996), University in Crisis and Survival Strategy. Seoul: Hanyang University Press. pp.312-316.

Conclusion

The 21st century is characterized by the 'knowledge-based society', the 'society of educational mobility' and the 'e-learning society'. Such changes in the higher education environment impel us to create a new paradigm. Given the situation in which universities themselves are expected to undergo substantial changes in their roles and functions to transform them into universities suited to the new century, their restructuring is unavoidable.

However, considering the fact that the existing university system is firmly rooted and the status of the university fairly well established, university reforms are by no means simple, nor should they be carried out forcibly. Nevertheless, it is true that in a knowledge-based society, the Korean universities can no longer maintain the status quo by resisting change. Everybody agrees that universities should undergo reforms in one way or another. In methodology, however, different people may have different ideas, which makes one very cautious about speaking out.

It seems desirable to boldly restructure the university system and academic circles rather than stick to the existing way of thinking. For example, it may be worth considering classifying Korean universities into universities supported under government policies, profit-making universities, and strategic universities, encouraging cooperation and competition among the different university groups. Or universities may be encouraged to transform themselves into a completely open university enjoying maximum autonomy through an alliance with a foreign university.

In addition, higher education in Korea is currently ranked 28th in the world in terms of competitiveness, but it will aim to rise to within the top 15 by 2010. This should empower universities to assume a leading role in the advancement of Korea’s knowledge-based economy.

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Presentation 6

Transition from a University under the Bureaucratic System to an Autonomous University: Reflections on Concepts and Experience of King Mongkut's University of Technology Thonburi

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Transition from a University under the Bureaucratic System to an Autonomous University: Reflections on Concepts and Experience of King Mongkut's University of Technology Thonburi

Krissanapong Kirtikara*

Introduction

King Mongkut's University of Technology Thonburi (KMUTT) is the only state university under the Civil Service System of Thailand that has undergone transition into an autonomous university. This has transformed the University from being a public university under bureaucratic control into a public university that is a public corporation. The transition became effective, after publication of the University Act in the Royal Gazette, on 7 March 1998. During the past decade, the governments have had a standing policy of enabling the remaining 20 state universities to make this transition. This paper is written to document the direction of and the decisions on the transition into an autonomous university that occurred nearly 2 decades before the transition. The decision was internally driven, not imposed from outside, and was premised on the intent to develop the University into a leading university.

The Overwhelming Constraints Two to Three Decades ago

Thai State Universities under the Bureaucracy In the second half of 1970's Thailand experienced a series of severe economic crises due to the oil shocks and the world economic depression. The Thai bureaucratic system faced tough economic measures. Limits on new positions in the Civil Service were imposed. Existing state universities, all being within the Civil Service, shared the same fate.

At the same time, state universities were losing streams of competent lecturers to Thai industry due to better pay and rapid industrialization in Thailand. The economy of the country was based on market forces but the Civil Service declined to recognize this. A starting salary in the private sector for a bachelor's graduate in engineering or technology then was 2-3 times that of a civil servant with the same qualification, and on par with a doctoral degree holder in the Civil Service. Universities, being the traditional magnet for the best and the brightest, became no longer attractive. It became ominous for the future of universities and the long-term competitiveness of Thailand that mediocrity, not excellence, then best described new faculty staff recruited into the limited new posts available.

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The University, being at that time an institute of technology under the name King Mongkut's Institute of Technology Thonburi — KMITT, had some of its senior administrators working on projects at the national level on manpower and technology. They were Dr. Paibool Hungspruegs, Dr. Harit Sutrabutr, Dr. Prida Wibulswasd and included the author. We had advised the national agencies mandated to work on economic development, manpower development and budget allocation of the imperative of having high caliber people as university faculty staff and researchers. We believed the saying that "*A great university begins with a good teacher.*" We wanted to develop a good Thai university for Thai students. We believed that the intelligence and capability of Thais are on par with those of other people. We had seen that Thais working overseas in academic or professional circles, performing on an equal footing with or, in many cases, better than natives of their adopted land. Bureaucratic constraints in Thailand placed limits on the performances and realization of the full potentials of Thais.

Bureaucratic Regulations Apart from a limitation on new positions, bureaucratic regulations made implementation clumsy and messy. Conditions imposed by the Budget Bureau (determining the salary) on the qualifications for a new post could differ from those of the Ministry of University Affairs (MUA), which determined the allocation of posts. In turn, these might be at variance with those requested by universities.

Disbursements of budgets were not conducive to the nature of a university that requires a certain degree of flexibility and innovation. The Civil Service is essentially designed for repetitive work, based on established guidelines and regulations. Their rules and regulations were in turn imported in totality by all the bureaucratic agencies. Regulations were made on the premise of prevention of irregularities. Bureaucratic assessments centered on compliance with regulations, and budget disbursements were activity-driven. The bureaucratic system was not output- and outcome-based. Assessments based on outputs, outcomes and impacts became accepted within the bureaucratic system only comparatively recently.

Allocations in the budget were based on incremental increases from previous budgets, not on a zero based assessment. Those agencies or universities having a large budget base, for no other reason than history, automatically got large increases, and vice versa. Budgets for state universities were adequate only for their existence and routine operations. Long term development and development planning were difficult due to the system of annual allocations. Moreover, congruence of budget allocation and requirements by universities (on what, how many, how much and when) is perennially problematic.

Procurement regulations designed for the then total of over one million civil servants and for routine repetitive operations were applied across the board to include the state universities. Procurement of off-the-shelf items that could be bought in thousands or ten thousands, like class room desks or students' shirts, followed the same rules as procurement of sophisticated made-to-order

scientific equipment such as an electron microscope.

State universities invested unimaginable efforts and time on writing and lobbying to reconcile discrepancies in budgetary allocation and post allocation between various government agencies. In many instances this had resulted from abuses of power. It was only a few years ago that delegation of authority on authorization of minor changes in budgetary affairs and management was implemented.

Major bureaucratic mountains to be surmounted by state universities were the time consuming approvals of academic programs and curriculums and establishment or dissolution of operational units, such as faculties or departments, within universities. Approvals were required at the MUA level and changes had to be enacted as Ministry Decrees or Royal Decrees before they were effective. So few bothered to seek changes as the budget still arrived regularly every year. As a consequence, state universities have ended up with many outdated and irrelevant programs and operational units

The Conclusion At the University we concluded nearly twenty years ago that the development of a good university, on a par internationally, was impossible within the bureaucracy. The University must have a certain degree of autonomy in its academic matters, financial and budget management, and personnel management. After considerable efforts and negotiations with concerned government agencies, it became evident that such autonomy was not feasible if the University remained part of the bureaucracy. As an agency under the Civil Service, the University had to follow civil service rules and regulations on procurements, budget disbursements and operational structures. University personnel were civil servants and were treated accordingly. Flexibility and discretion by universities become possible only when the agencies concerned agreed to decentralization or delegation of authority. If there were no agreement, there could be no flexibility. Management flexibility was also possible for operations funded by the university own income. Two decades ago, such income was not substantial, and neither flexibility and nor discretion were significant.

The Important Milestone: The Higher Education Long Range Plan (1990-2004) of the Ministry of University Affairs

Brainstorming to Chart the Direction of Higher Education When Professor Vichit Srisa-an became the Permanent Secretary of MUA, he initiated a 15-year long range plan for higher education around 1986-1987. The Plan was intended to "adopt the Long Range Plan as the proactive plan for the future. The Plan would be based on policy research on the socio-economic environments of the country and future scenarios and changes. The Plan must be dynamic and flexible and have continuous regular assessment mechanisms"

During 1987-1989, a Working Committee on the Long Range Plan was established and chaired by Professor Vichit Srisa-an. Professor Pote Sapianchai was the deputy chair. Members were distinguished scholars and drawn from Thai academes. They were Professor Chetana Nagavachara, Professor Paibool Ingkasuwan, Professor Tong-in Wongsotorn, Dr. Harit Sutabutr, Dr. Wiwat

Mungkarndee, Dr. Methee Krongkeaw, Dr. Jira Hongsladarom, Dr. Suchart Prasert-rattasindhu, Dr. Yongyuth Yuthawongs, Dr. Wiwatchai Attakara, Dr. Niphon Puapongsakorn, Dr.Waraporn Borwornsiri, Dr. Kanok Wongtra-ngarn, Dr. Sriwong Sumitr and the author.

Planning from Facts and Research Important inputs to the Plan were 23 policy research projects. Among these, 11 were on the higher education environment, 3 on manpower, 7 on internal efficiency of higher education and 2 on the roles of private institutes and the private sector. MUA had invited leading scholars and university researchers to conduct the policy research, each lasting about a year.

The author is of the opinion that Professor Vichit had successfully brought together the brains of Thailand as members of working committees and policy researchers. If my recollection is correct, we worked together once a week on Thursday afternoons from four to seven or eight o'clock. Either Professor Vichit or Professor Pote chaired the working committee meetings. The committee members and the researchers discussed research issues and exchanged views on research findings over nearly 2 years. The researchers also presented their research results and recommendations to wider circles to create *a national consensus* on the direction and scenarios for Thai higher education in the next 15 years. Thailand was different and distinct from the then emerging newly industrializing economies in that success in developments and implementation of national plans depended largely on consensus building, not on a top down approach.

When we were working on the Long Range Plan, the national economy was recovering quickly. The economy was becoming better connected to the world economy. Bold fiscal and income policies under Prime Minister Prem Tinnasulanond and Mr. Sommai Hoontrakool ― the Finance Minister were returning results. Internal insurgency had gone. Relationships with neighboring countries, previously embroiled in proxy wars with Thailand, were improving. The Plan was premised on such a buoyant socio-economic and political atmosphere.

Autonomous University ― One of the Flagships of the Long Range Plan The Long Range Plan addressed 4 major issues for Thai higher education, namely, *equity, efficiency, excellence and internationalization.*

One of the six policy recommendations to the government was "….*the State should reform the relationship between degree-level institutions and the State by developing state universities under MUA to become autonomous, responsive, efficient and academically excellent. This should be achieved by transition of existing state universities into autonomous universities while new state universities to be created should be autonomous from the beginning."*

In fact, the concept of state universities being autonomous, neither a part of the bureaucracy nor under the Civil Service, was not enunciated first in the Long Range Plan. The original concept was put forward in the 1920's by His Royal Highness Prince Mahidol Adulyadej, the father of His Majesty The King, few years after the first Thai university — Chulalongkorn University was founded. HRH proposed that the University should become autonomous from the bureaucracy (the then Ministry of Education) and report directly to the King or the Privy Council. Forty years after that, the future of Thai universities, under long standing military regimes, was questioned around 1963-1967. The concept of autonomy was reiterated by leading Thai university figures such as Dr. Puay Ungphakorn, Professor Kasem Suwannakul, Professor Sippananda Ketduthat, Dr. Sawas Sakulthai and Dr. Kamhaeng Palangkura. It was concluded nearly 40 years before the transition of KMUTT that to develop state universities, flexibility and autonomy should be achieved though an autonomous university route.

Important goals stated in the 15-year Long Range Plan for the 8th and the 9th Economic and Social Development Plans are:

- The majority of the states' universities are autonomous.
- By the end of the last year of the 9th Plan, students should cover all operating expenses through increases in tuition fees. This should occur in conjunction with establishment of a students' loan scheme and of grants for less economically and less socially privileged students.
- By the end of the last year of the 9th Plan the ratio of graduates in science and technology to those in social science and humanities should not be less than 50:50.

From 1990 to 2004, over a decade has passed. There are 3 new autonomous universities and only one state university, i.e. KMUTT, has successfully made the transition. History yet to be written will reflect on the extent to which such targets were not achieved and on what grounds.

The author deems it fortunate that both Dr. Harit Sutabutr, the past President of the University, and he himself were both in the Long Range Plan working committee. The two of us worked continuously on this for 3 years. We were clearly aware of the research findings on the low internal efficiency of state universities. We were well advised about research on future trends (socio-economic, politics, science and technology) in the country and the world. We also concluded that the goal of developing KMITT into a good and a leading university was unlikely to be reached within the bureaucracy.

The flagship concept on university autonomy stated in the Long Range Plan was the major roadmap that autonomous universities ought to follow.

From Suranaree University of Technology to King Mongkut's University of Technology and Other Autonomous Universities When Professor Vichit was tasked by Prime Minister Chartchai Choonhawan with creating a new university at Nakhon Rachasima, he established

Suranaree University of Technology as an autonomous university from the beginning (29 July 1990).

During the government of Prime Minister Anand Panyarachun, when Professor Kasem Suwannkul was the Minister of Universities Affairs, there was an attempt to effect a transition of 16 universities, including KMITT, out of the bureaucracy and into autonomy. Strong opposition was raised by those, inside and outside universities, ignorant of the concept. In March 1992 draft bills for 16 autonomous universities were tabled at the Legislative Assembly, an appointed not elected Assembly. The Assembly President dissolved the Assembly thereby throwing out all the draft bills.

Local demand for a new university at Nakhon Srithammarach led to the establishment of Walailak University (7 April 1992) as an autonomous university from the beginning.

When the two Buddhist ecclesiastical colleges, non-juristic bodies, under the Religious Affairs Department of the Ministry of Education made a transition to 2 juristic bodies as Maha Mongkut Rajavidhayalaya University and Maha Chulalongkorn Rajavidhayalaya University, they became autonomous (1 October 1997). This occurred during the government of Prime Minister Chavalit Yongchaiyut.

During the government of Prime Minister Chuan Leakpai, KMITT made its transition to an autonomous university as King Mongkut's University of Technology Thonburi — KMUTT on 7 March 1998 (one day after publication of the KMUTT Autonomous University Act in the Royal Gazette). A new university at Chiang Rai — Mae Fa Luang University became autonomous from the beginning during the same government.

As of April 2004, there are six autonomous universities in the country: four public universities and two Buddhists universities. Three new universities were established as autonomous universities, only one university — KMUTT made the transition.

Experiences of KMUTT in Preparation for Transition

Simultaneous Transition of All State Universities: An Impossibility After the failed attempt in simultaneous transition of all 16 state universities into autonomous universities in March 1992, we at the University reached the conclusion that it was impossible to make a simultaneous transition of all state universities. Each university differs in its characteristics, and in its, historical and constraining conditions. Each university nurtures its own values, visions and aspirations. We therefore decided to move ahead on our own on the transition into an autonomous university. It became a case of *united we perish, dis-united we stand.*

Continuity in Policy and Administration, and Strong Cohesion Within the University

During the 6-year preparation period for transition, from 1992 when we decided to move ahead on our own and the successful transition in 1998, the University was resolute in its determination and had strong continuity in policy on transition. The University had strong continuity in its University

Council. The Council President and members (from outside the University) served continuously without change in composition during those 6 crucial years. They were Mr. Boonyium Meesook — President, Dr. Tongchat Hongsladarom, Professor Pote Sapianchai, Professor Sanga Sabbhasri, Dr. Yongyuth Yuthawongs and Mr. Khemmadhat Sukonthasingh.

There was precedent and practice for the University not to change Council members from outside the University unless they were unwilling to serve further when their 3-year term expired. Therefore, the University administrators neither needed to explain the concept and seek policy decisions on autonomy time and again**,** nor to rehash the strategy on transition. The author has observed that this has presently become a tedious and futile exercise in many universities in their transition attempts. The university council members and administrators either lose interest and give up, or the terms of either council members or administrators expire. Then the whole process of explanation and convincing starts all over again.

In the senior administration, there was an uninterrupted policy and continuation of the concept of autonomy over the 6-year preparation at the highest level. The University President, from Dr. Pibool Hungspreugs, the KMITT President during the first transition attempt in 1992 to Dr. Harit Sutabutr, who in 1992 was the KMITT Vice President and subsequently, became the first KMUTT President at the transition, had intimate knowledge and experience with the preparation for transition. For other senior administrators at faculty level, even though there were changes, there was a continuation of the concept and determination to achieve autonomy.

The other key player was the Lecturers Council. From the beginning, the Lecturers Council took an active part in the development of University autonomy, the drafting of the autonomous university bill and accompanying regulations and guidelines. They helped organize public hearings within the University on autonomy. The KMITT Lecturers' Council has played, in the opinion of the author, a highly constructive role and has had a positive impact on the development of autonomy. This was in contrast with the experience of lecturers' councils at many other universities. In some universities, lecturers' councils became traditionally critical of university administrators. They assumed roles, without any legal standing, of opposition to whomsoever was in the administration. It is a somewhat misleading role and had negative impacts on operations in many universities. KMITT had always recognized the positive contributions that the Lecturers' Council could make and had included the Council in all major decision making processes, even though the Council was not officially recognized in the KMITT Act of 1986. As President, the author always emphasizes that the administration and the Council may differ in opinions on some issues but we are neither enemies nor opposing groups. Thais have peculiarities in taking those with different views as enemies or opposition. I always reiterate that the administration and the Council share the common goal of making KMUTT a leading university.

Most of the KMUTT faculty staff and personnel are dedicated, loyal and hard working, in comparison to many of those in other universities. They share the common purpose of working together for the betterment of the University. University unity is exceptionally strong. These

indigenous traits of cohesion and strong binding, a hard-working nature, dedication, continuation of the concept and policy of autonomy helped foster confidence and a sense of togetherness in the community during the transition into the unknown territory of university autonomy. These strong attributes were unique to KMUTT.

Learning from Others: Learning from Inside Thailand Between 1992-1998 KMITT was still a university in the bureaucratic system. Dr. Harit Sutabutr, first as KMITT Vice President and then President, set up task forces and working groups to study issues pertaining to the drafting of the KMUTT Autonomous University Act and the requisite autonomy in the management of academic matters, university personnel and financial and budget matters, the three pillars of university autonomy. Examples were drawn from within Thailand and abroad.

There were 7 working groups as follows: Planning and personnel administration; Finance, budgets and procurement; Administration; Academic matters; Personnel remuneration and university welfare; Students affairs; and Information services. There was an umbrella working group on university autonomy, chaired by Dr. Harit Sutabutr, that coordinated the outputs of the 7 groups. The umbrella working group is now a standing committee that still functions to this day as autonomy development is an on-going process, dealing especially with continuous improvement of management mechanisms, personnel issues and compensation. An autonomous university draws its strength from dynamism, and its ability to identify niches, to adopt and innovate. It can no longer wait for directives or signals for change from an external bureaucracy.

During the 6-year preparation period of 1992-1998, Thailand had experience of only 4 autonomous organizations, all newly formed from scratch and with limited operational experience. They were Suranaree University of Technology － SUT (founded in 1990), The National Science and Technology Development Agency － NSTDA (1992), The Thailand Research Fund － TRF (1992) and The National Research Fund for Public Health － PHRF(1992). SUT and NSTDA were similar to KMUTT in the sense that they are technically oriented and have operations. TRF and PHRF are funding agencies and have no operations. The common feature between SUT and KMUTT is that they are both autonomous universities; the difference is that SUT was created as an autonomous university from beginning and could easily design its system and operating regulations. KMUTT had 4 decades of initial and boundary conditions. The common feature between NSTDA and KMUTT is that they are technical agencies and have research activities, but NSTDA is not an academic institution. However, KMUTT could draw lots of very useful ideas and practical guidelines on autonomy from both SUT and NSTDA. Encouragement and invaluable support for KMUTT from the highest administrators of SUT and NSTDA were received, namely, through Professor Vichit － then the President of SUT － and Dr. Yongyuth Yuthawongs – then the NSTDA Director.

It was also opportune that senior administrators of KMUTT had helped to found and run NSTDA and its national centers. For the National Center on Metals and Materials Technology (MTEC), Dr. Harit Sutabutr became the first Director, and Dr. Panya Srichandr, a senior member of faculty from the School of Energy and Materials of KMUTT, was its Director. In the National Center on Genetic Engineering and Biotechnology (BIOTEC), Dr. Sakarindr Bhumiratana, a senior member of faculty from the Faculty of Engineering of KMUTT and Dr Morakot Tanticharoen, a senior member from the School of Bio Resources and Technology were taking similar paths. They became first, Deputy Director and later on Director. The author was the Deputy Director of the National Electronics and Computer Technology Center (NECTEC) between 1986 and 1998. We were able to design and operate one newly created autonomous agency, NSTDA, and draw from its experience for subsequent use in the creation and operation of another newly created autonomous university — KMUTT. This has indeed been opportune and fortunate.

Learning from Others: Learning from Outside Thailand In designing an autonomous university administration, the University had looked at some universities abroad. A past President of the University of Michigan spent one month at the University advising, the then, KMITT in the early 1990's. The Sukksa Pattana Foundation, set up by alumni of MIT, supported academic staff and administrators exchanges and attachments in the mid 1990's between the University and MIT. MIT administrators visited the University and advised us of their systems. KMUTT administrators also visited MIT and observed operations there. The relationship with MIT was established by Dr. Harit, an MIT alumnus, and other alumni who wanted Thailand to learn from MIT as a leading world-class university in science and technology. Management of a small, but yet world class, university like MIT serves as a useful model for a University that also focuses on science and technology and aims to develop into a leading university. The Thai University Administrators Shadowing — TUAS of MUA, placing senior Thai university administrators in UK and Australia universities, was also a major source of ideas on management of an autonomous university.

Success after the Third Attempt It should be noted here that the University needed three attempts to put the KMUTT Autonomous University Act through the legislative process before it achieved success and the Act enacted. The first legislative attempt resulted in a failure in March 1992 when all 16 state universities tried for transition: on that occasion the first KMUTT Act was shared in common with all 16 universities. The first failure allowed us ample time to think more thoroughly about essential features of the KMUTT Act and other subsidiary regulations and guidelines on academic matters, personnel management, finance and budgets.

By late 1994, a draft of the second KMUTT Act, quite different from the first and unique to the University, was ready. Drafts of supporting regulations and guidelines were also firmly in place. The

University submitted the second draft Act for consideration of the Cabinet and got approval on 18 April 1995. The draft was then forwarded to the House of Representatives on 25 September 1995. Dissolution of the House on 27 September 1995 effectively threw the second draft out of the legislative process again, and we failed to get the Act through for the second time.

After the second failure, additional time was available for us to do more work on the details of KMUTT as an autonomous university and other supporting regulations. Waiting for the right political atmosphere, we resubmitted the draft without much alteration to the Cabinet again and got approval on 20 February 1997. The House of Representatives approved the first reading on 27 August 1997, the Senate on 27 December 1997. The Act was published in the Royal Gazette on 6 March 1998 and became effective on 7 March 1998. The legal transition of KMITT to KMUTT as an autonomous university was complete. Nearly 2 decades had passed since we concluded that it was highly unlikely that a good university, on a par internationally, could be developed within the bureaucracy, and that we had to chose the autonomous university route. It must be recorded that our success came with unwavering determination after 2 failures.

To date, out of the original 16 universities of the 1992 attempt, KMUTT is still the only state university that has made a successful legal transition to an autonomous university.

Continuity and Discontinuity in the Ministry of University Affairs Between 1992 to 1998, the process of transition to autonomy by KMUTT passed through hands of 9 Ministers of Universities Affairs, excluding acting Ministers. They were Professor Kasem Suwannakul, Mr. Suthep Attakorn, Dr. Krasae Chanawongs, Mr. Tawil Praisont, Mr. Boonchu Treetong, Mr Montri Danpaibul, Mr. Chatchai Ia-kul, Khunying Nongyau Chaiseri and Dr. Decha Sukharoms.

Appreciation, understanding and commitment of Ministers of University Affairs on university autonomy were markedly different. A few were even totally ignorant of it. MUA was an undesirable portfolio for many politicians as it carried no large political base measured in terms of its personnel and impacts on constituencies. It had also a small potential as a source of ill-gotten gains, measured in terms of its budget, that a minister could influence. MUA was considered “a Grade C Portfolio” by many politicians and was used as a stepping-stone into the so-called Grade B and Grade A portfolios. This perception is very ominous for university education and education as a whole. In developed societies, universities are regarded as bastions of learning, beacons of social conscience and major driving forces in technological development and innovation.

It was fortunate that there was continuity, understanding of and support for university autonomy by senior officials in MUA at the levels of permanent secretaries, deputy permanent secretaries and division directors. During the 6-year period of the KMUTT transition exercise, the 3 Permanent Secretaries of MUA, namely, Professor Vichit Srisa-an, Professor Kasem Wattanachai and Dr. Wanchai Sirichana fully understood and supported university autonomy. In fact, Professor Vichit

and Dr. Wanchai themselves later became presidents of two autonomous universities.

KMUTT staff put much effort and time into lobbying politicians within the government and the opposition wings, and with the House of Representatives and the Senate. This was to ensure that politicians understood the concept of university autonomy. We had to be certain that during the legislative process, the essence of the draft KMUTT Act was neither altered nor likely to be deflected from its goals. Politicians were not well versed with the concept of autonomy when KMUTT sought transition as the first case. *Strong doubts prevailed in the bureaucracy that the transition was for the better, measured in terms of operational efficiency, improved quality and possibility of government intervention when necessary.*

Life after the Legal Transition

Climbing the Bureaucratic Mountains The legal transition of KMUTT occurred right after the economic crisis of 1997 and was followed by a long period of severe economic contraction. Even to this day, the country is still recovering slowly from the crisis. Before the crisis, the economy and the national mood were buoyant. Government budget flew easily. Large university projects were not questioned. The collapse of 1997 brought a loss of national confidence and strong cuts in public sector spending. The government had more pressing economic and social problems to attend to. State universities, normally receiving less attention from the government than other state agencies, understandably attracted even less notice.

The time of the transition of KMUTT was very different from when the two new autonomous universities, SUT and Walailak University were established. Both universities enjoyed strong backing from local politicians as their champions. At that time the economy was buoyant and large public spending in both of them and the other newly created universities was not questioned. Politicians could direct the bureaucracy to move away from its entrenched position in a new direction. For better or for worse, KMUTT had no political champions. The University found it extremely difficult to convince the government that if there was going to be life after legal transition to an autonomous university, a large amount of political courage and support were required to shift the bureaucracy.

The most contentious issue was the extra budget to top up salaries. Personnel of autonomous universities are employed on a contract basis, not enjoying life-long employment like civil servants. The discussion was on how much salary top-up was sufficient to trade between the permanent employment in universities of the Civil Service world and the contractual employment of autonomous universities. This issue was at the back of the minds of almost all of the staff of KMUTT who were then civil servants. The new employment system designed by KMUTT is one of a *dual track or parallel manpower system.* The original civil service staff at the time of the transition had 2 options. Either, they would be permitted to remain as civil servants and apply entry to the University employee scheme when they deemed it appropriate; or alternatively they could voluntarily leave the Civil

Service system and be recruited into the University employee scheme. The first option, of continuation of life as a civil servant, is comfortable and secure, especially in the aftermath of the economic crisis when employees in the private sector were being laid off en mass. Punishment and assessment in the Civil Service are rare. In fact, Thai civil servants are afraid of assessment and associate assessment with bad connotations: assessment is taken as a preamble to investigation. The second option, of KMUTT civil servants quitting the Civil Service and being recruited into the new system after assessment, might not be a simple case of just walking in. No agency in Thailand had ever designed and implemented such a system. Nobody had ever been through such a transition. No one was sure how fair the new system would be in terms of assessment. The spectre, of being unfairly assessed and then thrown out, haunted everybody. It seemed foolhardy for somebody sensible to quit a secure civil servant's job and walk into the unknown and untested world of contract employment. SUT and other newly created autonomous universities did not have this problem as all their staff were newly recruited and employed on contract from day one.

We at KMUTT were aware of the salary scale for SUT and Walailak personnel as autonomous universities and of NSTDA and TRF as autonomous agencies, and the quantum required for topping up civil servant salaries. However, we could not, with conscience and right mind, push for an equivalent amount as the country was in deep recession. Had we done so, we would have been accused of making the transition for the money: this accusation had been made in public at the time of the 1992 transition attempt.

The second contentious point was additional money for the university provident fund and staff benefits (such as allowances for medical expenses and family, school tuition fees for staff children). Normally in the Civil Service, all these are available but paid from a central pool. Being an autonomous university, KMUTT would have to provide all of these for its contracted employees. In addition, the KMUTT Act stipulated that University employees would receive benefits similar to employees in the private sector. This meant that the benefits for University employees would be tied to those in the private sector. Nobody had any clear idea how much KMUTT would need to pay for all the benefits as nobody had done this before.

Mr. Paron Issarasena, the first University Council President of KMUTT as an autonomous university, Dr. Harit as the Vice President of the Council and the author had to explain these two important issues many times to the then Prime Minister, Mr. Chuan Leekpai, Ministers of MUA, Ministers in charge of university transition and various government agencies. Numerous simulations were done to calculate the amount required under different scenarios of personnel expenses. What SUT and Walailak got as autonomous universities and what NSTDA and TRF got as autonomous agencies were not precedents for KMUTT. With severe economic recession, the government was unprepared to press the bureaucracy for more money for the University. Negotiations became protracted and frustrating, and led nowhere. All the remaining state universities watched this closely and carefully. This was due to the fact that in order to get a rescue package after the 1997 economic

crisis from the Asian Development Bank, the government made a commitment to make all state universities autonomous universities within a fixed time frame.

Finally in August 1999, when 17 months had passed since KMUTT became autonomous, the issue was settled by the government based on its ability to pay. KMUTT got what the country could afford under the circumstances, not what KMUTT needed. Those who helped KMUTT climbing this bureaucratic mountain were the Prime Minister Chuan Leekpai, Minister Apisit Vejachiva — Minister in charge of university transition — and Minister Prachuab Chaiyasarn — Minister of MUA. The government's commitment was in the form of a provision that the University could put up an official request for these extra amounts in its annual budget submission. When the decision was made by the government in August 1999, the University was unable to submit a request for its 2000 annual budget as the time for the due bureaucratic process had passed. We had to wait another year until the 2001 budget, starting in October 2000, before the money rolled in. It took KMUTT 30 months from the day of the transition to get what we originally thought was a straightforward affair. How wrong we were in underestimating the bureaucratic mountains.

Essentially, personnel expenditures of autonomous agencies and universities were what deeply bothered the government and various government agencies. This concern was understandably justifiable under the gloomy economic climate then and the track record of inefficiency of civil servants. In the minds of the bureaucracy, autonomous agencies and universities could become non-performing while drawing big salaries. Their large salaries could set precedents for future claims. The University Council President told us not to bother the government further as the country was flat broke. We were told that we had better build up our academic and technical capabilities and earn our incomes. This is essentially the position that KMUTT has since adopted.

More and More Bureaucratic Mountains to Climb — Autonomy is Invisible After the KMUTT transition in 1998, we regularly face, even at the present time, what the author terms official frictions. It is not because anyone in the bureaucracy wants to be obstructive. *The bureaucracy simply holds autonomous agencies and universities as invisible.* The bureaucrats are simply aware of 2 types of government entities, namely, the government bureaucracies and the state enterprises. Anything that does not fit the two categories is invisible. This can be very frustrating as the state machinery is represented and operated mainly by government bureaucratic units, not autonomous agencies. When the bureaucracy comes across an autonomous agency, it either goes into "*a sleeping mode*" and backs away or goes forward in "*a customary mode*" with the usual set of bureaucratic rules and regulations. They just do not know how to deal with autonomous agencies. Moreover, they refuse to offer advice on how to proceed. We simply hope that with increasing numbers of state agencies, with more autonomy — such as autonomous agencies and public organizations — the visibility will improve. Examples of bureaucratic instruments whose rules do not take into account autonomous agencies are

the Public Administration Act, the Budget Act, the Customs Act, regulations of the Police Department on bail for criminal offences, government bonds for scholarship holders, the Provident Fund and regulations on Royal declarations, etc.

Such frictions or obstacles facing autonomous agencies occasionally emerge, like old tree stumps or thorns that get in the way and catch us unprepared while walking. We simply deal with them case by case or endure them. Since our transition in 1998, various governments have attempted to help by setting up working committees with ministers and agencies in charge to clear the stumps or remove the thorns. But political discontinuity makes this frustratingly slow.

Truths and Untruths on University Autonomy

Since the author assumed his position in July 1998 as the first KMUTT President after the transition to autonomy, he and his senior colleagues have given talks, possibly over a few hundred times, on the concepts and practice of university autonomy. The University is frequently visited and has given advice on these themes. It is found that most of the questions are similar and reflect deep misunderstanding of the concept of university autonomy. Ignorance is still prevalent, deeply ingrained in the minds of the public, bureaucrats, students, parents — including politicians, despite the establishment of SUT — the first autonomous university over a decade ago.

What University Autonomy is about University autonomy does not mean that a university is at complete liberty or totally independent from the state policy, directives and intervention.

University autonomy does not mean that the State no longer funds autonomous universities.

University autonomy does not mean that the accounts of autonomous universities cannot be audited or that the performance of autonomous universities cannot be evaluated by the State.

University autonomy means that the State allows autonomous universities to manage their own three major internal affairs, namely, academic matters (academic programs, university structures), personnel matters (personnel system, recruitment, remuneration, benefits), and finance and budgets (budget management, procurement system).

The State can direct, supervise, audit and evaluate autonomous universities. Autonomous universities have to follow government policy and that of the Minister in charge. The State Auditor audits accounts and assets of autonomous universities. In the case of KMUTT, the Minister appoints 2 members of the University Council.

Misunderstanding and Ignorance that must be Corrected

Ignorance Number One: The State will not Fund Autonomous Universities Forcing Them to become Self — Financing It is often said that government will not fund autonomous universities and force them into self-finance. This is because many think that autonomous universities are like

private universities. Many say that autonomous university management will be business-oriented, and students will have to pay higher tuition fees like those in private universities. Programs that have inadequate numbers of students will be closed and staff dismissed.

The truth is that autonomous universities are state or public universities. Autonomisation is in essence debureaucratization: it is public incorporation, not privatization.

Being public universities, therefore, entitles autonomous universities to be publicly financed, to be responsive to government policy and to be subject to auditing and evaluation by the State. The extent of public finance and support depends on the ability of the government to finance higher education. This, in turn, is determined by the economy and the commitments of the government to other public agenda. It also depends on the public perception of the role and usefulness of higher education.

Offering new academic programs or termination of old ones has nothing to do with whether a university is under the Civil Service or is an autonomous institution. Neither is the employment of new staff, nor termination of employment. Academic programs are offered or discontinued depending on societal needs. Universities need not always respond to the so-called market, as there are private markets/demands and public markets/demands. Universities should be able to distinguish between price and value, whereas the general public may not. Universities must seek to determine their own values associated with intangibles such as aesthetics, ethics, traditions, wisdom and the drive to seek knowledge.

Ignorance Number Two: Students Pay More in Autonomous Universities It is recognized that the annual budget that state universities receive is not sufficient to maintain quality education. Yet state universities normally refuse to increase tuition fees for ordinary students in a forthright manner because they are under the watchful eye of the parents and the public. State universities seek a concealed route to increase tuition fees. They offer so-called special programs for which tuition fees are substantially higher. This attracts neither much notice nor does the public make an issue out of it. The special program route has been a normal practice in all state universities under the Civil Service to raise fees and use the additional money to run their normal operations that are inadequately funded. It has become a necessary evil. Higher fees have nothing to do with university autonomy.

Initially, special programs were offered to students already in employment. Classes were held at weekends and sometimes away from the main campuses. Higher fees were justified on the grounds that working students could afford to pay. Weekend classes were cited as giving opportunity to working students to upgrade themselves. Off campus classes were explained as giving opportunity to rural students. The truth is that now many special programs are offered to nonworking students who are not yet employed, held at ordinary times and on the main campuses.

The 1999 National Education Act puts great emphasis on education and learning for the population. Compulsory education covers 9 years and is free whereas basic education extends to 12 years. In addition, education reform requires more money to be spent on basic education infrastructure and the

salaries of teachers at that level. Moreover, it is reckoned that the country has not done enough for vocational education. This has resulted in disproportionately small numbers of technicians in comparison to university graduates. With everything being equal, this means that more of the budget will be spent on basic education and vocational education while less will be spent on higher education.

Common sense indicates that the country has new public commitments and, as a consequence, more spending arising from the 1999 National Education Act, Education Reform and the political reform associated with the 1997 Constitution. If the country's economy does not improve substantially, there will be lower tax revenuest and the government budget will not increase.

Given this situation and the fact that the country has to service its public debts from various overseas loans and rescue packages after the 1997 economic crisis, the education budget cannot increase. Nor can the higher education budget increase. The State and the public, without doubt, would put more importance on basic education than higher education.

This does not mean that higher education will be downplayed and not be publicly financed. What could happen is that funding of the operating expenditures of higher education will migrate from supply-side financing, i.e. funding directly to higher education institutions, to demand-side financing i.e. through the students via student loans. This would necessitate putting more money in to a student loans scheme for able-minded Thai. The State should provide free higher education for the underprivileged and the highly talented.

On higher education development expenditures, the government budget will be based more on merit, such as competitive research grants and mission-oriented projects. Recent examples of these have been based on the populist policies of the government such as grass-roots development projects and SME's development.

Studies all over the world on higher education have led to the conclusion that private returns on higher education are larger than public returns. However, higher education also provides public benefits in terms of manpower production for competitiveness, new knowledge from research, and serves as a social beacon. It is accepted that higher education is both a public good and a private good. Expenses of higher education must be shared by the students, who benefit, and the public. The proportion each contributes depends on the state of the economy and competing public commitments.

It is high time that the higher education circle in Thailand faced the fact that public subsidy of higher education will diminish. Users will have to pay.

Ignorance Number Three: There will be Unfair Evaluation and Staff Easily Dismissed It is always alleged, in state universities that have not undergone transition, that there will be unfair and biased evaluation in autonomous universities. Staff could easily be dismissed. Employment will be no longer secure and will depend on the whims of senior administrators. This belief and misunderstanding have arisen from witnessing foul play in some Civil Service agencies and its extrapolation it to autonomous universities. University people have an illusion that autonomous

universities are under absolute control of senior administrators, and assume that there is no justice whatsoever in autonomous universities. In fact, foul play or not in any community depends on governance and the quality of members of that community. It has nothing to do with whether an agency is under the Civil Service or is autonomous.

The Thai society is becoming more open and subject to increasing scrutiny. Setting up a good mechanism of governance within a university will ensure that, based on their merits, autonomous university personnel will be duly employed and rewarded.

Ignorance Number Four: Autonomous Universities Personnel will Get Higher Salaries

Compensations and rewards for anybody should depend on the efficiency and achievements of that person and his organization. If the system is efficient and achievement-oriented and a person performs accordingly, then his compensation and reward should be appropriate.

If salaries of personnel in autonomous universities are high, it must be because they are efficient and perform work of quality according to proper guidelines and due evaluation. Higher salaries are not automatic because of the transition.

Higher salaries are neither the objective nor goal of autonomous universities. It must be accepted that to develop a good university, personnel must be of high quality. The atmosphere must be conducive to good working and output-oriented. Personnel must be dedicated to their work, not worried about finding a second or a third job to keep the family alive. In fact, all governments since the early 2000's have launched aggressive programs to reduce manpower in the public sector through a voluntary retirement scheme. This was done in conjunction with a large rise in salary in 2004 in return for eliminating poor performers from the bureaucracy. In fact, only high quality people will find work in any system, bureaucracy or autonomous university.

We must accept that good work should command good pay, whether in an autonomous university or a bureaucracy.

What the Transition Has Brought about

The Legal Transition In the opinion of the author, the transition of a state university under the Civil Service to an autonomous university involved two major transitions. First was the legal transition of the university and its personnel. Second was the transition of the paradigm and working culture. The university system is a resultant of the culture developed by its people.

The author has found that many state universities spent significant amounts of time and effort in preparation for the legal transition of the universities and their personnel. In fact, it cannot be denied that a lot of paper and administrative work needed to be done, whether drafting a new university act or formulating regulations on new academic systems, personnel and finance.

In contrast, the author has noted that many universities spent very little time and effort in preparing for the transition or change or paradigm and working culture. *The real transition and the ultimate goals in the transition to an autonomous university are the changes in the paradigm and working culture of university personnel, and in the system*. *The legal transition is the tool or means, not the end*. The transition of a university and its personnel are meaningless if only the legal transition is successfully addressed and the real and substantive changes to the system, its people and culture never materialize. Thailand and its higher education will not benefit from such transitions, no matter how many universities have undergo them.

Change in Paradigm and Working Culture In order to change the paradigm and working culture of a university, the focus should be on a higher plane of common goals and aspirations of the university. Emphasis should be on what the university could achieve from the transition, not what each individual should get. Otherwise, discussion and debates will center on individual gains and benefits, and struggle to maximize short-term individual benefits at the expense of long-term university benefits. In such processes those concerned would lose sight of the ultimate goal. This personal gain and loss debate is understandable and should be permitted, as all involved are human beings, but it should be kept secondary to the university gains. The change in paradigm may come with a long-term vision of a university after its transition when everybody is encouraged to look towards the horizon for a future generation, not immediate gain or loss in the foreground.

Some Anxieties at the Initial Stage All change leads to some uncertainties. University personnel, being human beings, have become accustomed to a familiar life in the Civil Service, Therefore, when faced with what they consider an unknown future, they demand ready-made answers to future hypothetical questions, especially in regard to personal benefits.

KMUTT became autonomous on 7 March 1998. Over four and a half years have lapsed since the first group of KMUTT civil servants resigned from the Civil Service and been recruited into the new system of contracted employees in October 1998. By July 2003, the University had undergone a transition to autonomy for over five years. Its personnel are now 57% contracted employees and 43 % civil servants: a major milestone in the transition, more contracted employees than civil servants, has been reached. This, in some part, reflects confidence of the personnel that their future in the new system would be comparable if not better than that in the Civil Service. The author has found that there are no significant differences between various groups of personnel in making the choice to resign and be recruited into the new system, i.e. academic staff vs. supporting staff or staff with differing lengths of services. Thus, the confidence is shared uniformly across University personnel.

Initially, there was quite a palpable apprehension on life prospects in the new system, especially the perceived threats of possible unfair evaluation and dismissal due to the aforementioned ignorance.

At one and two years after the transition in March 1998, the University enquired of its civil servants the reasons for not choosing to resign and be recruited as university employees. Similar answers emerged at both times. They were as follows.

- First, were reasons of personal benefit. Some civil servants wished to complete 10 years work so that they were entitled to pensions. Others were in the process of seeking promotion to assistant or associate professorships: they wanted to complete the process in the bureaucratic channel, so that they might get even higher pay as contracted employees, rather than go through the promotion process in the new channel. Some cited parental objections, as parents, being people of older generations, did not understand what autonomous universities were. Some said that civil servants could equally work hard and efficiently.
- Second, were reasons about salaries and benefits. The increases in salaries and benefits were thought not sufficient. The future benefits that they would get, what additional benefits there would be and how these would occur were not seen clearly. They could not fairly predict their future salary with certainty, as in the Civil Service system. In the Civil Service system, an annual salary increase is based on fixed increments, normally one incremental increase each year evenly across the board. Thus, one can safely assume the numbers of increments available over a number of years and, therefore, the level of salary. In the employee system, there are no fixed increments. Each year, the University Council decides on the University's performance and its financial state, then an overall University increase is determined. One's salary increase is based on performance and the allocated overall increase.
- Third, serious concerns were expressed by civil servants during the 18 months after the transition before the University secured the decision of the government on the additional budget to top-up salaries, and the university provident fund and staff benefits (Section 5.1). The civil servants interpreted this as a lack of commitment by the government to autonomy: they were seeing senior university administrators feverishly running around trying to get the money. They cited this as a main reason for not joining the new employment system. Moreover, they were of the view that the University employment contract was not attractive as no definite commitment was made by the University for permanent tenure.

In fact, staff in other state universities also consider the great difficulty KMUTT encountered immediately after the transition, and before KMUTT got the money 30 months afterward, as a lack of seriousness and commitment by the government on university autonomy. This has become one of the major objections for other state universities over the transition.

- Fourth, civil servants were concerned with the "fairness" of the new system (Section 7.3). They were uncertain about the staff evaluation system. They wanted salaries of all employees to be made public, a practice in every bureaucratic organization, so that they could see fairness in the evaluation. The author found this argument somewhat weird.

All the four areas of concern described above have more or less been resolved. More people have become confident and have joined the new system. The author reckons that the percentage of KMUTT civil servants deciding to join the new employment system should reach a plateau of about 80% within 10 years of the transition. Those who remain will gradually retire and the number of civil servants drop accordingly.

Same Expectation on Quality and Only One Standard of Work With the dual personnel management system, a question was raised at the outset on the University's expectation on the work standards of its employees and civil servants. Some were talking about different expectations and work standards, due to differential pay. The author, being the President, was emphatic that the University has the same expectation of work quality and efficiency from its university civil servants and its employees. Hence, there is only one standard of work and the same set of workloads and evaluation. Being a civil servant or a university employee is one's personnel choice. Such principle has been in place for 5 years now.

Leaving the Bureaucracy at the Front Door and Sneaking it in by the Back Door: Change in the Paradigm and Working Habit It was a common practice in the bureaucracy to focus on input, activity, process and low costs. Budget disbursement was simply expenses. Plans were activity-driven. Importance was placed on compliance with rules and regulations. When NSTDA — the first autonomous agency — was established in the early 1990's, over a decade ago, a highly respected figure warned the author and his friends involved with NSTDA as first generation executives there that we had to be watchful and mindful that autonomous agencies might be non-performing and no better than bureaucratic agencies. This might have been so because employees of an autonomous agency still harbor a Civil Service paradigm and work habits. Owing to the long established bureaucracy, rules and regulations of every sort abound. When an autonomous agency is established, there is a tendency, and in some part a complacency, for its people not to think thoroughly about the change and with a new mind-set. For convenience, they tend to borrow ready-made rules and regulations available from the bureaucracy. If the relevant and good parts are taken, harm is not done. If not, it is the case of "*leaving the bureaucracy at the front door and sneaking it in by the back door.*"

After the KMUTT transition into autonomy was made, the author has always emphasized to his colleagues at KMUTT that we need to change our paradigm and work habits. One has to look at utilizing inputs for the highest cost-effectiveness. One has to look for outputs and outcomes, and if possible, likely impacts. Goal-oriented and output-driven — not activity-driven, should be the nature of operating plans. Budget disbursement is considered as a future investment.

To change our paradigm, we have to look far ahead, into the future, beyond the horizon, beyond our generation. We have to dream. We need visions, not restricted to what is immediately in front of

us. Visions should guide how we develop our community, our university. Visions are like a compass, pointing us in the right direction. Medium term development plans and yearly operational plans are our maps and itinerary. Being autonomous allows us to look and plan ahead and have more flexibility in block grant budget management. The University can manage its own resources according to its medium and long term plans, and according to its own visions and regulations. If a university is a part of the bureaucracy, its management tools are limited. Its annual allocation with an itemized budget permits only a yearly operating plan and is not conducive to medium or long-term plans and targets. The author always emphasizes to his colleagues that personnel in autonomous universities should have confidence in themselves in designing their own system, suitable for our visions and missions. We must not simply be copying rules and regulations from the bureaucracy. We should be dynamic and responsive, and not afraid to make changes or suffer failures. Successes and failures are normal. If we fail, we look for shortcomings and rectify them. Then we try again.

In the Thai cultural context, the author compares the transition of a bureaucratic university into an autonomous university to dismantling an old house and simultaneously building a new one by using old parts while the house is still being occupied. To have the same old occupants changing their paradigm and work habits is like the traditional rites and ritual ceremonies for dismantling an old spirit house and erecting a new one. We ask the resident old spirits to leave. Then new spirits, deemed auspicious to a new way of life, are invited to reside in the newly erected spirit house.

Monitoring, Assessment and Evaluation for Improvement Lack of dynamism is characteristic of a bureaucracy. What has been lacking from a bureaucracy, compared with private enterprises, is continuous monitoring based on set criteria, and performance evaluation of individuals and organizations based on key performance indicators. In a bureaucracy, evaluation is perceived synonymous with and leading to investigation.

In an autonomous agency, such misconception has to be corrected. Monitoring, assessment and evaluation should be considered as feedback tools so that a system can redirect itself to the required target. New cultures have to be cultivated.

Preparation of personnel and subsidiary units with the University for the new culture of evaluation was basic to the transition in 1998. The University had adopted a mechanism for academic and supporting staff evaluation few years before 1998. This was to prepare the new mindset. It had taught us that evaluation results were constructive and valuable, not tools for destruction. Three to four years before the transition, students evaluated the teaching performances of every lecturer in every subject; feedbacks from students were used to improve teaching performances. Support staff evaluations were tried out few years before the transition to test the mechanisms and acceptability.

Up to this point, the University has devised guidelines and mechanism for its half yearly personnel evaluation, for both employees and civil servants, based on set criteria of work loads. The guidelines and mechanism are constantly reviewed, in some way reflecting that the system is adaptable and

dynamic. We develop our own system and refine it ourselves without having to wait for external signals or having to be prodded from outside. University personnel accept the system of workloads and evaluation that we have designed. For example, an initial emphasis six years ago was on research workload, as at that time research activities and research outputs were deemed low. Six years have passed, research outputs are rising. But academic staff tend to take their tasks of students supervision and student mentoring lightly. They prefer to work individually rather than collectively. Now, the workload should put more weight on interaction with students and the collective work of staff.

On organizational performance evaluation, the University has established evaluation panels based on invited outsiders and respected professionals for the evaluation of all its faculty members, schools, research and services centers and its other subsidiary units. All units within the University were evaluated in 2001 and 2002. This exercise is planned for every 3 years. In addition, external evaluation on education quality by the Office of the Education Standards and External Evaluation was successfully completed early in 2003.

The author has found that the new culture of individual and organizational evaluations have taken root. We have now accepted that evaluation is positive and constructive. Recommendations of evaluators are put to good use. Monitoring, assessment, and evaluation have shown that they can be used to improve both the individual and the organization.

What We Have Achieved From his own point of view, the author has observed the following major transformation and achievements after the University transition.

- We have established a foundation and a system of administration for the University to reach its vision together with its stakeholders. The vision is to become a leading university of the country, the region and, ultimately, the world. A leading university will provide our country with high caliber personnel and strengthen the country's competitiveness and standing in the world.
- We have surmounted the psychological barrier of civil servants, normally passive and subservient to problems and tending to wait for external inputs for problem solving and prevention. We have become proactive in directing and correcting our system.
- We have confidence in the potential and learning ability of our people in managing a university with quality and dynamism.
- We have put a system with good governance in place.
- Our people have demonstrated their potential and innovativeness in both academic and administrative dimensions. The potential and innovativeness have resulted in cost reduction, a sense of saving, higher productivity and innovative work, within the increasing constraints of diminishing government support per student. Awareness of quality and cost effectiveness abound. Technical outputs, measured in terms of publications and patent filings, increase. In

fact, publications and patent filings per academic staff of KMUTT in the field of engineering and technology are the highest among Thai public universities. Revenues and assets of the University increase.

- University personnel are confident in and accept our system of monitoring and evaluation of individuals and organizations. Results of evaluations are used for improvement.
- The University is confident that it can increase its income and build up its assets based on its technical capability. It does not have to rely solely on the public inputs. Its income can be earned as well as given. By 2002, KMUTT earned income from tuition and fees, and contract works exceeded that of the government allocation, and has remained so subsequently. This is unique for a public university that neither runs nor has income from teaching hospitals or farms.
- The University has cultivated a new working culture with its stakeholders, especially with its alumni, the private sector and the public.
- University recruitment has become more open. Competent outsiders can become senior administrators at all levels from department chairmen upwards to deans and president.

The Unfinished

In order to further develop autonomous universities, the following issues should be addressed:

Relationship with government agencies Autonomous universities do not work in isolation from other existing government agencies within the bureaucracy, or those yet to be established. These agencies in various ways control operation of the Thai public machinery, including the autonomous universities. The principal agencies are the Budget Bureau, the Ministry of Education, the Ministry of Finance, the Office of the State Auditor and the Office of the Civil Service. These agencies are unfamiliar with autonomous agencies and tend to apply their normal procedures for dealing with civil service agencies to autonomous institutions. The concept of autonomy should be better appreciated and understood as a new type of state agency, i.e. public organizations with a certain degree of autonomy have been created during the last few years during the bureaucratic reform. Public organizations are similar to autonomous agencies though they possess less autonomy. They are created by executive decree of the executive branch, while autonomous agencies are created by enactment of laws through the legislative process.

New educational organizations set up in July 2003 under the 1999 National Education Act such as the National Commission on Higher Education (replacing the Ministry of University Affairs) and the National Education Council (replacing the Office of the National Education Commission) with different mandates from their predecessors are as yet not known to the autonomous universities. Their working relations with autonomous universities have yet to develop.

Budget and Resources for Higher Education Consensus must be reached on the public and private benefits and the nature of higher education. Then the State can decide on the level of its responsibility for and the extent of the public financing of higher education. At present, students in public universities with limited admission are heavily subsidized compared to those in public open universities, private universities and other higher education institutes. The issue of public funding of higher education is becoming crucial. In 2004 and 2005 over 50 new public universities will be created within the bureaucracy. These new universities were once teachers colleges and colleges of technology. They had been under funded compared to the existing public universities and expect to receive more public funding when they become universities.

It is expected that, at least in the present decade, public funding for higher education will be constrained due to a national commitment to basic education, arising from the 1999 Constitution and the National Education Act. Two issues that requires considerably more state budget can be identified. First, 9-year compulsory education and the 12-year basic education is to be free of charge; and second, salaries of school teachers are to be increased.

Clear signals must be sought from the government on its possible provisions for financing higher education. Possibilities include annual budgets, students' loans, research funding, development funds, and so forth. Mechanisms and incentives for private sector participation must be worked out, as an increasing role for the private sector is anticipated.

Quality Development There must be mechanisms and incentives conducive to the development of the quality of academic programs, development of staff and establishment of good governance and management in autonomous universities. The Office of National Education Standards and Quality Assessment was set up a few years ago. Already they have assessed nearly half of the higher education institutions. It is not yet clear who will take up these assessment results and turn them into policies and mechanisms to upgrade education quality.

Autonomous Universities — a Necessary but Not Sufficient Condition

The author has been frequently asked by those from civil service universities whether a state university has to be autonomous so that it can develop to become a good university in a universal manner.

The answer is that, in the opinion of the author, remaining as civil service universities cannot accelerate the development of state universities faster than in the past. Small incremental jumps may be possible, but not quantum leaps. What could possibly happen — and does not augur well — is that civil service universities supported by the public, being unable to adapt quickly and respond to rapid societal changes and demands, may yield diminishing returns to the public. This, in turn, would reduce public expectation from and hope for public universities. Public universities would cease

to be regarded as relevant social and intellectual institutions and would ultimately be forgotten.

If we want to revitalize public universities, to make them meaningful social and intellectual institutions and a strong driving force for Thailand, becoming autonomous is a small but necessary first step.

From this small step, people in autonomous universities have to work harder and smarter. They must recognize and develop their own potentials and those of their organizations. Leadership at various levels must be cultivated. Support from the State and the public are essential. Together these should provide a sufficient foundation to develop a good university.

Presentation 7

Evolution of Administrative Structure of China's Universities between 1980 and 2001

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Evolution of Administrative Structure of China's Universities between 1980 and 2001[1]

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Introduction

Organizational structure and its determining factors have been the foci in the field of organization study (Scott, 1975). Although great efforts have been made to explore the dimensions of organizational structure and its determining factors, limited knowledge has been accumulated (Drucker, 1977). This was due to the complexity and difficulty of measurement in organizational structures. In China, much more academic attention has been paid to the higher education system rather than organizations (Yan, 1998).

China went through dramatic changes in all spheres between 1980 and 2001. Economic reform led to economic development and social prosperity. Table 1 shows some changes in the economy and employment. GDP increased by four fold: the share of the agriculture sector contracted, and of the service sector expanded both economically and in employment. Agriculture provided 30.1 percent of the economy and 68.7 percent of employment in 1980, but 15.2 percent and 50.0 percent, respectively in 2001. In addition, the share of employment in the private sector increased from 3.5 percent in 1990 to 10.2 percent in 2001.

Higher education has also made good progress in this dynamic society. Table 2 shows changes in higher education. In 1980, there was only one university student for every thousand population. By 2001 it had increased to more than five university students in every thousand population. The number of institutions almost doubled within twenty years. The enrolment registered in ordinary higher education institutions increased by five fold between 1980 and 2001. Consequently, the average enrolment of higher education institutions increased from 1,690 students in 1980 to 5,870 students in 2001.[2] In terms of student-faculty ratio and student-staff ratio, efficiency increased. Table 3 presents the revenue structure for ordinary higher education institutions in 2000. In 1980, almost all revenue came from the governmental budget. By 2000, the public budget accounted for 58.2 percent of the revenue, and the rest came from non-budget sources. It is manifest that higher education institutions have become less dependent on the government and more on the market for resources.

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[1] The analysis is based on a survey of university administrative structure by Ning Kang in the Ministry of Education. Permission was obtained for using the survey data. The author created a database and analytical framework independently for this analysis. Ning Kang gives her comments on the draft. Ellen E. Mashiko in Tokyo Foundation helps the author to polish the draft.

[2] The average enrolments are calculated from raw data from the National Statistical Bureau: http://210.72.32.26/yearbook2001/indexc.htm

Table 1 China's Economy and Employments in 1980 and 2001

Year	GDP			Share of GDP (%)			Employment (%)			Percent of Employment in Private Sector (%)
	Total Volume (100 million yuan)①	Increase Rate②	GDP Per Capita① (yuan per person)	Agriculture	Industry	Service	Agriculture	Industry	Service	
1980	4517.8	100	460	30.1	48.5	21.4	68.7	18.2	13.1	3.5③
2001	95933.3	528	7543	15.2	51.1	44.4	50	22.3	27.7	10.2

Source: website of National Statistical Bureau: http://210.72.32.26/yearbook2001/indexc.htm
Notes: Data in 1980 and 2001 are incomparable. About 8.3 RMB yuan is equivalent to 1 US dollar. The index is calculated from comparable data. Data in 1990

Table 2 Enrolment of Ordinary Higher Education Institutions[3]

Year	Enrolment per 10 thousand Population①	Institution	Scale and Ratio				
			Student (10 thousand)	Faculty (10 thousand)	Faculty & Staff (10 thousand)	Student/ Faculty	Student/ (Faculty + Staff)
1980	11.6	675	114.4	24.7	63.2	4.6	1.8
2001	56.3	1225	719.1	53.2	121.4	13.5	5.9

Source: website of National Statistical Bureau: http://210.72.32.26/yearbook2001/indexc.htm
Note: Enrolment includes all types of higher education institutions.

Table 3 Percent of Revenues of Ordinary Higher Education Institutions, by Sources

Total	Public Budget	Investment from Social Group and Individual	Social Donation	Tuitions & Fees	Other
100	58.2	0.7	1.7	21.1	18.3

Source: website of National Statistical Bureau:http://210.72.32.26/yearbook 2001/indexc.htm
Note: data for 2000.

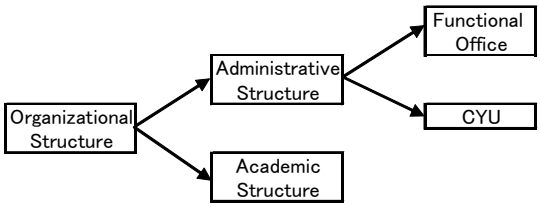
The organizational structure of China's university evolved while the environment changed. As shown in Figure 1, university structure is composed of two main parts: academic structure and administrative structure. The former is the core of the university: it includes all academic departments, research centers and educational programs. The latter includes functional departments, such as the dean's office, personnel office, and various departments of the Communist Party, Youth League and Union (CYU).[4] The administrative structure plays supportive and coordinative roles in universities. It mobilizes and allocates resources, provides professional services and consultation, and integrates all

[3] There are three types of higher education institution: ordinary, adult and private. The study concerns the first category.

[4] Because of China's political system, there exist institutional components of the Communist Party, Youth League and Union in universities. The Communist Party was involved in specific institutional operations in the past but has transferred administrative power to the functional offices in the process of reform. The legitimate role of the Communist Party is to monitor implementation of national education policy. The Youth League is guided by the Communist Party and educates young people ideologically. The Union is responsible for the welfare of faculty and staff, quite different from its counterparts in the western world. This paper does not concern the justification of organizational arrangement and specific function of each administrative department or office, but studies patterns of structural change.

activities. Both academic and administrative structures have changed dramatically in the past decades. A spectacular change in academic structure is the broadening of provision of academic programs and the strengthening of collaboration among disciplines within universities. In some higher education institutions, colleges and schools at both graduate level and undergraduate level are being created between institutions and departments to accommodate and collaborate in various academic programs.

Figure 1 University Structure[5]



In the administrative structure, some offices, such as the Revolutionary Committee, Political Department and Office for Implementing Policy, were obsolete and were abolished.[6] Meanwhile, a few new departments and offices, such as the Office of Foreign Affairs, Office for Policy Study, Business Office, Office for Technological Application, Logistics Office and Office for Student's Career Service, were established. Some administrative departments, such as the Research Office, Personnel Office, Dean's Office and Financial Office, still maintain their names but have modified or expanded their functions.[7] This paper will focus on administrative structure and explore structural changes in China's universities and their determining factors after 1980.

Table 4 provides an example of administrative structure evolution in a key university by comparing structural arrangements in 1980, 1992 and 2000. In 1980, there were seven CYU departments and nine functional offices. By 1992, the CYU sector had increased to twelve departments, and the functional offices to eighteen; and by 2000, there were nine CYU departments and sixteen functional offices. It is clear that both functional offices and CYU departments were augmented between 1980 and 1992. The Students' Department, United Front Department and others were added into CYU sector. The Students' Office, Office for Foreign Affairs, Audit Office, Construction Office, Business Office, Graduate School, College for Adult Education and others were added into functional sector.[8] The change was caused partly by the external environment and partly by

[5] There are no exact English terms for some administrative departments in China's universities. This administrative structure is presented to represent all non-academic units in universities. CYU stands for the Communist Party, Youth League and Union. Functional offices refer to non-CYU administrative offices.

[6] Some administrative offices are products of political movement. They change when political environments change.

[7] This conclusion is based on interviews with the director at the Personnel Office and Research Office, Peking University.

[8] There is some overlap between functional offices and CYU sector, for example, the Students' Office and Students' Department. The former deals with students' registration, academic records, discipline, punishment, awards and job assignment, and the latter deals with ideological education. Some universities have attempted to merge or combine the two sectors and to raise efficiency.

internal demand. From 1992 to 2000, under an efficiency rationale, the university reorganized its structure by merging some overlapping departments and offices, eliminating some redundant departments and offices, and contracting out logistical services. As a result, the administrative structure contracted.

Table 4 Administrative Structure of a Key Chinese University in 1980, 1992 and 2000

Category	1980	Category	1992	Category	2000
CYU (7)	Office for Communist Party Committee (OCPC)	CYU (12)	OCPC	CYU (9)	OCPC Office for Policy Study
	Department of Organization (DO)		DO		DO Party School
	Propaganda Department (PD)		PD		PD
	Youth League Committee		YLC		YLC
	Union		Union		Union
	Defense Department (DD)		DD		
	Disciplinary Committee (DC)		DC		DC
			Security Department		Security Department
			United Front Department		United Front Department
			Students Department (SD)		SD Defense Department (DD) Political Education Office
			Graduates Office		
			School of the Communist Party		
Adminis-trative (9)	President's Office (PO)	Adminis-trative (18)	PO	Adminis-trative (16)	PO
	Dean's Office (DO)		DO		DO
	Personnel Office (PO)		PO		PO
	Research Office (RO)		RO Research Collaboration and Development Office (RCDO)		RO RCDO
	General Affairs Office (GAO)		GAO		
	Financial Office (FO)		FO		FO
	Security Office (SO)		SO Public Safety Office (PSO)		SO PSO
	Library		Library		Library
	Construction Materials Office				
			Students Office (SO)		SO
			Foreign Affairs Office		International Cooperation and Exchange
			Audit Office		Audit Office
			Construction Office (CO)		CO
			Housing Office		
			High Technology Office		
			Office for Retired People (OR)		OR
			Laboratory and Equipment		
			Graduate School (GS)		GS
			College for Adult Education		
					Property Management Office
					Inspection Office
					Logistics Office

Source: Summarized from an institutional questionnaire. The figures in parentheses are the numbers of administrative departments and offices in the category.

Can we regard at the above case as a snapshot of China's higher education system? Can this observation be generalized and applicable in a broader scope? What are the social causes for this change? These are questions that the author will explore in this paper. The following research questions are posed. What changes have occurred in the administrative structure in China's universities? What are the patterns of the changes? What are determining factors?

Literature Review and Research Hypotheses

There are two contrasting perspectives in organizational study. One of them views organizations as a closed system. From this perspective, organizational structure is determined by an efficiency rationale. The other views organizations as an open system. From this perspective, organizational structure is shaped by environmental variables (Scott, 1992).

Organizations have to interact with their environments for resources and legitimacy. But the mechanism of interaction varies from organization to organization. Figure 2 shows four types of organizations. Some organizations are strongly shaped by their technological environment but have relatively weak relationships with institutional environments. In contrast, other organizations have weak relationships with technological environments but strong relationships with institutional environments. In parallel, there are organizations that have either strong or weak relationships with both technological environments and institutional environments. Governed by these environments, each type of organization develops its own particular structure to maximize resources and legitimacy.

Universities are classified as organizations, the structures of which are determined strongly by institutional environment (Scott, 1992: 133). This means that universities have to structure themselves to meet not only internal tasks but also external requirements. Specifically, universities incorporate some components to deal with internal tasks and others to handle external requirements. In dynamic terms, when institutional environments change, universities have to adjust their institutional components to the new environments. Eventually, universities that become isomorphous with institutional environments survive, but universities that cannot make appropriate adjustments fade away.

It can be assumed that organizations with a strong relationship with technological environments have to establish more coordinating bodies and employ more staff when their sizes expand. According to this rationale, the size of administrative bodies of this kind of organization can be explained by the organizational size. In contrast, the organizational size might not be a major variable to interpret the administrative size of universities, that are characterized as organizations with a strong relationship with the institutional environment and a weak relationship with the technological environment.

Figure 2 Organizational Categories according to Relationship with Environments

		Institutional Environments: Strong	Institutional Environments: Weak
Technological Environments: Strong		Public facilities (gas, electricity, telephone) Bank Hospital	Manufacture
Technological Environments: Weak		Psychic health hospital School Legal institutions Church	Restaurant Health club Kindergarten

Source: Richard, S. W. (1992). *Organizations: Rational, Natural and Open Systems*, Third Edition, Prentice-Hall, p. 133.

Mature organizations develop organic bodies to handle both internal and external requirements. Talcott Parsons, the American sociologist, identified three layers in mature organizations in his book *Structure and Process in Modern Societies* (1960). The three layers are respectively technical, managerial and institutional. The technical layer is the core of the organization and is involved in the production process. The managerial layer plays a coordinating role and connects the organization with its operating environment. The institutional layer is located in a peripheral segment of the organization: it connects the organization with the external social system. By the same token, mature universities are assumed to develop three layers to deal with different tasks and requirements. The colleges, academic departments and educational programs constitute the technical layer. Most administrative offices play a coordinating role. A few units might not be involved in internal operations and deal mainly with institutional environments. They constitute the institutional layer. China's universities are no exception. In China's typical political system, universities are special in incorporating both bureaucratic and political elements. Universities are embedded with and reflect political requirements. It is therefore useful to explore scenarios where society is transiting from a centralized and planned system to a democratic and market system. Do bureaucratic elements become a managerial layer, and political elements become an institutional layer?

Institutional theory contributes greatly to understanding the nature of organizational structure. It has a powerful ability to interpret the phenomenon of organizational similarity and new rationality. So, we can apply it to analyze organizational structure and its determining factors (Zhou, 2003). Some concepts and propositions of institutional theory have been discussed already in the above paragraphs. The crux of the theory is that organizations develop their structures to adjust to institutional environments. According to the theory, change of organizational structure is less directed by an efficiency factor and does not necessarily result an efficiency gain. Conversely, the structure of an

organization is determined by its institutional environments through coercive, mimetic and professional mechanisms (DiMaggio & Powell, 1983).

However, institutional theory has shortcomings. For example, it does not pay much attention to deinstitutionalization, the dynamic process of decay of an old institution. The theory emphasizes the role of legitimacy but ignores the role of efficiency. In other words, it underlines the contradiction of legitimacy and efficiency and overlooks the supplementary relationship between the two. In some circumstances, the two factors are in a trade-off relationship; in other circumstances, they supplement each other. Shin Kap Han's paper provides a case in support of the latter proposition (Zhou, 2003). There is another actual situation, where institutional environments force organizations to separate themselves from inefficient inertia and move into an efficient track.

Both Meyer and Rowan (1977), and DiMaggio and Powell (1983) emphasized the impact of institutional environments on organizations in static situations. Tolbert and Zucker (1983) made improvements by adopting a new perspective and analyzed the diffusion of the civil service system over a time scale. They discovered that organizations adopting a civil service system in earlier times took specific situations into account rationally, but organizations coming later to this system seemed to adopt it blindly.

In the existing literature, most researchers chose the organizational structure as a dependent variable, and institutional environments as independent variables. The impact of institutional environments on organizations are emphasized and analyzed. Nevertheless, the influence can be exerted in an opposite way. China is a typical example. In its dynamic society, many changes originate from the grassroots. They spread out, achieving a broader scope and provide impetus for institutional change. There exists another situation where organizations can take flexible measures to satisfy both efficiency and legitimacy. China's higher education is in a transitional process. It will be a breakthrough if the transitional mechanisms can be uncovered. The above-mentioned shortcomings and insufficiency all have potential for the improvement of the theory.

Based on a literature review and some actual situations in China, the following hypotheses (H) and corollaries (C) are elaborated and will be tested in this paper.

H1: The institutional role of CYU become more evident when China adopts the policy of division of the Party and administration.

C1-1: The ratio of the number of CYU staff to the number of administrative staff is less than the ratio of the number of CYU departments to the number of administrative offices in 1980, 1992 and 2001, respectively. This implies that CYU departments remain but decrease in size and their role changes from an administrative layer to an institutional layer.

C1-2: Both ratios in C1-1 decrease from 1980 to 2001. This also implies that the institutional role of CYU became significant.

C1-3: The number of staff working in administrative offices is significantly affected by the number of people they serve.

C1-4: The number of staff working in CYU departments is significantly affected by the number of people they serve.

C1-5: The interpretability of C1-3 is more powerful than that of C1-4. It implies that the size of administrative offices was task-oriented, and the size of CYU departments was institution-oriented.

H2: Because institutional environments are changing, universities can make flexible and hybrid arrangements to achieve goals of both efficiency and legitimacy.

C2-1: Universities are expected to merge or combine some administrative offices with CYU departments while they pursue both legitimacy and efficiency objectives.

Data Collection and Description

To test the above hypotheses and corollaries, the data collected from an institutional survey have been analyzed. The major variables in the survey are shown in Table 5.

Table 5 China's University Administrative Structure Survey Data

Data	Administrative Offices			CYU Depts.		
Number of Depts. & Offices	X80,	X92,	X01	x80,	x92,	x01
Percentage in all Depts. & Offices (%)	Y80,	Y92,	Y01	y80,	y92,	y01
Number of Staff	N80,	N92,	N01	n80,	n92,	n01
Percentage in All Staff (%)	M80,	M92,	M01	m80,	m92,	m01

In the institutional survey, sample universities provided data on numbers of all administrative offices and staff, CYU departments and staff, changes of departments and offices, and an organizational chart. Results from 124 questionnaires have been analysed: they included 131 universities and colleges (because some institutions were being merged in later years). Among the 131 universities and colleges, 124 universities can award bachelor's degrees, and seven colleges can award diplomas. The former constitute 94.7 percent; the latter 5.3 percent of the sample (Table 6). No significant differences were found in administrative structure by comparison of institutional categories. For this reason, the aggregate data rather than categorized data will be discussed in the rest of this paper.

Table 6 Category of Sample Institutions, by Level

Bachelor Degree Institutions	Diploma Institutions	Total
124	7	131
94.70%	5.30%	100%

Specific functions of administrative offices and departments were not investigated in this survey. In addition to the bodies mentioned above, there are some committees (academic committee, degree committee, etc.) and assemblies (faculty and staff assembly, the Communist Party assembly, etc.). They meet periodically, once a year or twice a year and are beyond the scope of this study.

Analysis of Data and Test of Hypotheses

Before testing the hypotheses and their corollaries, first the administrative efficiency is investigated.

Administrative Efficiency. Evaluation of organizational effectiveness has been a difficult topic in the study of organizations. A common paradigm and methodology has not yet to be achieved (Cameron, 1978). Student-faculty ratio, student-staff ratio and average cost per student are indicators that are frequently employed. The ratio of administrative staff to all faculty and staff, and the ratio of administrative staff to faculty has been used for evaluation of administrative efficiency. Table 7 shows the ratios in 1980, 1992 and 2001, respectively. The ratio of administrative staff to faculty declines from 1980 to 2001: from 43 percent in 1980, to 42 percent in 1992, and 33 percent in 2001. Because the ratio of students to faculty increased dramatically in past decades, it can be inferred that the student-staff ratio also increases. The evidence supports the proposition of enhancement of administrative efficiency.

Table 7 Indicators of Administrative Efficiency in 1980, 1992 and 2001

Indicators	1980	1992	2001
Percent of staff over all faculty and staff (%)	18	19	15
Valid Sample	80	92	121
Ratio of staff to faculty (%)	43	42	33
Valid Sample	84	97	107

Administrative Structure Table 8 shows the change of administrative structure in the surveyed universities. The number of administrative offices and departments increased when universities were revitalized and expanded after the Cultural Revolution in 1976. In the 1990s, universities reduced their administrative bodies to improve their administrative efficiency. The pattern of staff change is identical to the pattern of change in the administrative departments and offices. It is found that the average size of administrative departments and offices remained the same in the past twenty years.

Table 8 The Change Pattern of Administrative Structure in Surveyed Universities

Indicators	1980	1992	2001
Average number of administrative depts. per institution	19 (13)	27 (16)	25 (13)
Average number of administrative staff per institution (person/inst.)	321 (313)	441 (397)	398 (396)
Average size of administrative dept. and offices (person/dept.)	17	16	16
Average size of faculty and staff per inst. (person/inst.)	2,410 (2235)	2,811 (2214)	3,380 (4022)

Note: The figures in parentheses are standard deviations.

The size and function of administrative departments and offices vary across universities. A diversified administrative structure is understandable through the national legal framework. The 37th provision in the *Higher Education Law* stipulates that higher education institutions have autonomy to establish administrative departments and offices, and staff them according to their particular needs and efficiency rationale.

When the change in administrative structure is reviewed the Office of Foreign Affairs is exceptional. In 1980, only 10.5 percent of universities had such an office. This percentage increased to 46.8 percent and 52.4 percent in 1992 and 2001, respectively. The change is due to the open door policy and frequent exchanges between China's universities and foreign institutions.

Test of C1-1 and C1-2. The ratio of the number of CYU staff to the number of administrative staff is less than the ratio of the number of CYU departments to the number of administrative offices in each of 1980, 1992 and 2001. In other words, the average size of CYU departments is smaller than that of the functional offices. It implies that the role of CYU departments differs from that of functional offices. The former involves institutional requirements, such as national policy and political issues, but does not affect academic activities. In contrast, the functional offices mobilize resources and integrate activities across campuses. These assumptions are supported by the statistics in Table 9. Moreover, the ratios of CYU departments to all administrative departments and offices decreased longitudinally, from 42 percent in 1980, to 36 percent in 1992, and 33 percent in 2001. This signifies a change of CYU's role in the universities. The ratios of CYU staff to all staff vary around 15 percent and do not fluctuate as much as that of departments and offices.

Table 9 Administrative Structure in 1980, 1992 and 2001

	1980	1992	2001
Percentage of CYU over all admin. depts. and offices（%）	42	36	33
Valid sample size	98	112	121
Percentage of CYU staff over all admin. staff（%）	16	13	15
Valid sample size	66	81	88

The data in Table 10 show that the number of CYU departments has been stable since 1980: seven in 1980, nine in 1992, and seven in 2001. Over the same period the average number of CYU staff changes from 36 to 46 people. The average size for each CYU department has been 5-7 people since 1980, lower than that of functional offices. In addition, the change rate of CYU size is smaller than that of student enrollments.

Table 10 The Change of CYU

	1980	1992	2001
Average number of CYU per institution	7	9	7
Average number of CYU staff per institution (person/inst.)	36	41	46
Average size of CYU (person)	5	5	7

Table 9, Table 10 and above analyses tests the corollaries 1-1 and 1-2 positively. In sum, CYU departments seem to occupy an institutional role in China's universities.

The role of CYU was transformed when the policy of "division of the Communist Party and administrative departments" was implemented. This means that the Communist Party will monitor the implementation of educational policy and give functional offices power to administer institutional operations. The 39th provision of the *Higher Education Law* stipulates that public higher education institutions adopt a "president responsibility system under the leadership of the Communist Party grassroots committee". The major role for the Communist Party grassroots committee is to implement the educational policy of the Communist Party, to insist on socialist direction, and to lead ideological and moral education.

Test of C1-3, C1-4 and C1-5. Scatter plots from equations 1 and 2 were drawn by SPSS software. Two statistical models were built for analytical purposes on the basis of the scatter plots. The numbers of all staff and CYU staff respectively are employed as dependent variables, and the numbers of staff served, the administrative departments and offices are respectively employed as independent variables. The regression models are as follows:

$y = c + b_1x_1+b_2x_2 + \varepsilon$ (1)

where:

y **:** number of all administrative staff

x_1: faculty and logistics staff (all faculty and staff minus staff working in administrative departments and offices)

x_2 : number of administrative departments and offices

ε : noise

c , b_1, b_2 : regression coefficients

$y = c+ b_1x_1 + b_2x_2 + \varepsilon$ (2)

where:

y : number of CYU staff

x_1: number of faculty, functional staff and logistics staff (all faculty and staff minus CYU staff)

x_2: number of CYU departments

ε : noise

c , b_1, b_2: regression coefficients

The stepwise method was used for regression analysis. The derived results are summarized in Table 11. The results indicate that the adjusted R^2 for both equations 1 and 2 increase over time. This means that numbers of administrative staff and CYU staff are influenced increasingly by the numbers of staff they serve. In other words, the efficiency rationale has more weight in determining both the number of all administrative staff and the number of CYU staff. Furthermore, the adjusted R^2 for equation 1 are greater than that for equation 2: this implies that CYU is more institutional-oriented and less task-oriented than its functional counterparts.

So far, C 1-3, C 1-4 and C 1-5 have been tested positively.

Table 11 Regression Result

Variables	B	T test	Significance	Adjusted R squares
Equation 1: 1980				
Constant	77.115	1.451	0.15	0.26
No. of dept. & offices	9.166	4.132	0.000**	
Faculty & logistics staff	3.95E-02	2.754	0.007**	
Equation 2: 1980				
Constant	9.86	1.084	0.283	0.136
No. of CYU	3.984	3.238	0.002**	
Equation 1: 1992				
Constant	49.79	0.757	0.451	0.332
No. of dept. & offices	7.13E-02	3.989	0.000**	
Faculty & logistics staff	8.563	3.863	0.000**	
Equation 2: 1992				
Constant	34.484	7.519	0.000**	0.253
No. of CYU	2.91E-03	2.222	0.029*	
Equation 1: 2001				
Constant	52.321	1.135	0.259	0.709
No. of dept. & offices	3.534	2.236	0.027*	
Faculty & logistics staff	8.98E-02	16.407	0.000**	
Equation 2: 2001				
Constant	20.534	1.96	0.053	0.341
No. of faculty, functional & logistics staff	2.62E-03	2.288	0.025*	
No. of CYU	2.493	2.145	0.035*	

Note: ** means significant at 0.99, * means significant at 0.95.

Test of C2-1. The number of combined departments and offices (functional offices with CYU, or CYU with CYU, or functional offices with functional offices) was calculated.[9] By comparison, there were almost no combined departments and offices in 1980; there were few cases in 1992; but the number had increased by 2001. Table 12 shows the cases and their percentages in 2001. The combined departments and offices are a phenomenon of incorporating both legitimacy and efficiency.

[9] They work as one office inside the campus but as two or three to the outside agencies. In other words, the team is identical, but the offices have more than one name. This is an interesting organizational arrangement in China's universities.

Table 12 Combined Departments and Offices in 2001

Names of Depts. & Offices	No.	Percent ofAll Institutions (%)
President Office－Office for the Communist Party Committee	17	13.7
Propaganda Dept.－United Front Dept.	2	1.6
Disciplinary Committee－Audit Office－Supervision Office	10	8.1
Union－Women's Association	2	1.6
Security Office－Defense Dept.	8	6.5
Students Office－Youth League－Students Dept.	2	1.6
Logistics－Construction	1	0.8

Conclusion

China's open and dynamic society encourages universities to make direct exchanges with their environments. They access resources from and provide services to society. The social link becomes crucial for the survival and development of universities. Social structure is embedded in universities' administrative structure when universities depend largely on social resources. In retrospect, the administrative structure of universities was isomorphous with governmental structure in the 1980s. The past two decades have witnessed a delegation of autonomy to universities and pursuit of efficiency by universities. Abolishment of reluctant elements has become a significant phenomenon in the reform of universities.

This paper explored the changes of administrative structure in China's universities between 1980 and 2001. Some trends have been found by empirical study. Firstly, the data showed that the objective of administrative efficiency has been emphasized and achieved in universities, and their administrative structure has become more efficiency oriented. Secondly, it also shows that functional offices differ from CYU departments in terms of role, size and scope. Organizational size has a significant impact on the size of administrative bodies. Nevertheless, it does not effect the size of CYU so much. Based on the results, it may be concluded that CYU plays an institutional role on campus and reflects an institutional requirement. Lastly, universities combined or merged various administrative departments and offices to satisfy both legitimacy and efficiency. This has many theoretical implications and is an intriguing phenomenon needing in-depth study.

Institutional theory is useful in understanding how organizations develop their structures, but does not show patterns of organizational structures in different environments and magnitude of effect that institutional environments exert on organizations. It emphasizes the contradiction between legitimacy and efficiency, but ignores the mutually beneficial relationship. It emphasizes the impact of environments on organizations, but ignores the impacts of organizations on environments. Research on the administrative structure of China's universities provides a specific case from which the theory can be expanded.

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Presentation 8

From a Public to a Private Good: Higher Education Reform in England at a Turning Point

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From a Public to a Private Good:

Higher Education Reform in England at a Turning Point

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The 2004 Reform Bill

On January 27 2004, a Higher Education Bill was passed in the British parliament by a mere five votes after one of the most keenly contested and bitter debates of the seven years in office of the British Prime Minister, Tony Blair. The tiny size of the majority was extraordinary given the huge 170-seat majority that Blair enjoyed in the Parliament. It was, at first gloss, equally extraordinary that Blair should have faced such strong opposition from within and well as from outside his own party on the issue of higher education reform, given all the other issues which were currently being debated in the Parliament at the time, including Britain's involvement in Iraq. It may have been that the attack on the Higher Education bill was, in part, displacement for dissatisfaction with the Blair leadership on a number of other unrelated matters (see Furedi, 2004, who suggests as much), but it is also clear that the Bill had enough contentious issues to generate opposition in itself. This opposition came from an unusual coalition of those on the Right and the Left of British politics as well as those in the middle and the lower social classes, and it revealed a great deal about the general tensions surrounding the higher education system in Britain in general. Before these wider implications are examined, however, we need to look at what was actually covered in the Bill itself.

If we restrict our discussion to the case of universities in England (although much of the Bill will also pertain there, universities in Scotland, Wales and Northern Ireland are all under their own Funding Councils and hence have slightly different arrangements), the Bill proposed that, as from September 2006, universities would be able to charge undergraduate students from Britain and the European Union up to £3,000 a year for any course they chose.[1] This was an increase from the current rate of £1,250 introduced in 1998. The new system was different from the previous system in two significant ways. Firstly, it allowed the possibility of *differential* fees; that is that courses at some universities would cost more than those at other universities, and indeed that there might be different fees for different courses within the same institution. The previous system had been a flat charge which had not allowed for this differentiation. Secondly, while the old system (which had been introduced in

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[1] They are already able to charge overseas undergraduates and all postgraduate students, including those from Britain and the European Union (EU), any fees they wish. Undergraduate fees for non-EU students are typically between £7-9,000 a year. The 8% of all students in British universities who are from overseas constitute a very major subsidy for the higher education sector as a whole to which they contribute about £1 billion in fee income alone (Baker, 2004a).

1997, previous to which there had been no fees at all, as indeed remains the case in countries like France and Germany) has necessitated the payment of fees at the beginning of every academic year (although about 30% of students had not had to pay these fees because their or their parental income was below the threshold that triggered repayment), the new system involved a form of graduate tax, where those who had been through university would, when their subsequent income reached £15,000, repay the cost of their university education through the tax system.

In comparison with average fees in Japan, £3000 a year (slightly less than ¥600,000) does not appear extortionate, even if average salaries in the UK are considerably lower. For many of those who opposed the Bill, however, the real concern was for how long the fees would remain at this level. It was only as a concession to the protestors that they were capped at this rate for three years, and most commentators have assumed that they will rise very quickly after the cap is lifted. When some Vice-Chancellors (the senior position in a British university) started talking about charging the full-cost of university courses (normally in the context that only if they did so would they generate enough funds to ensure that able students from less well-off families could be offered full scholarships), they banded around figures of courses costing £12-15,000 pounds. It was the idea that students would not only leave university needing to repay the loans they had borrowed to allow them to live and eat while there (on average about £15,000 in total) but also repay up to £45,000 in fees, which seriously alarmed the critics of the Bill. Only ten years earlier, it had largely been accepted in England that higher education was a public good and that the state had a responsibility to fund the cost of those who went through it. What had changed over the past two decades to change this view and see the introduction of the 2004 Bill?

By Way of Background to the Introduction of the 2004 Bill

Put simply, the background to the 2004 Bill was a funding crisis in British Higher Education. In the case put by the association of the universities' vice-chancellors (known as Universities UK), while each student in their universities was, in total, costing them around £15,000 a year, they were receiving from the government only about £6,000. As universities had expanded during the 1990s, the amount of money they had received per student had declined rapidly. According to Universities UK, there had been a 37% decline per student between 1989 and 2002 in government funding.

The gap between the money received from government and the cost of teaching each student was covered, in part, by other sources of income that universities generated (such as students paying to attend short-courses; the commercial use of university campuses in holiday periods and at weekends; endowments and donations they raised from private benefactors; and, at the research active universities, by research overheads). It was also met, in part, by drawing on reserves and allowing buildings to fall into disrepair as the general physical infrastructure of universities was allowed to decay. Most significantly, though, it was met by maintaining the salaries of academic and other staff at a level that was completely out of line with others of equal educational qualifications. In early 2004,

the top of the scale for university lecturers (the scale on which the vast majority of academics sat) was less than £35,000 pounds a year (less than 7 million yen, all included); for those who had been promoted to senior lecturers or readers, it was around £40,000 (less than 8 million yen). For the very small minority who became Full Professors (generally less than 5% of all staff), the majority never moved off the bottom of the professorial pay scale, which was also around £42,500 (8.5 million yen). Income tax rates of 23% on earnings up to £25,000 and 40% on all other earnings, plus a cost of living which was, by 2004, somewhat higher than Japan due to inflation and a land-price bubble reminiscent of Japan in the late 1980s, made it very hard for senior academic staff to sustain a decent life style and there was a substantial haemorrhaging of high quality scholars to the top research universities in the United States. Much more serious though were the pay and conditions of academics just starting their careers; new employees in their late twenties with doctorates would receive salaries around or just below £20,000 (4 million yen in total). University academics, as a profession, were receiving incomes below those of teachers who had seen their pay and conditions considerably improved during the 1990s and well below civil servants, with whom their salaries had been on a par in 1980.[2]

There was little dispute that at the turn of the millennium British universities were in a financial mess. How had this come about?

The Development of Higher Education in the UK

Since England has, in Oxford and Cambridge, two of the oldest universities in the world, it is often mistakenly assumed that it also has a venerable tradition of higher education. This is not really the case. There were seven universities in the UK by 1600, but as Smith (1998) points out, these were already divided into two distinct patterns: the religiously exclusive institutions of Oxford and Cambridge in England and five more egalitarian and utilitarian universities in Scotland (St Andrews, Glasgow, Edinburgh and two institutions in Aberdeen). More significantly, there were still only seven universities (with around 5000 students between them) two hundred years later in 1800. The nineteenth century saw expansion in the higher education system in England, with seven new universities being founded (including Durham, King's College London, Manchester and University College London). Most were established on the utilitarian, Scottish model, although Durham was in the Oxbridge collegiate mode. By the end of the century, there were around 20,000 students in higher education in Britain. Numbers rose gradually in the first half of the twentieth century to around 46,000 in 1946, when there were sixteen universities in Britain. Not only were those going to university a tiny minority (less than 2% of the age-cohort), but indeed so were those staying in the school system beyond the mandatory leaving age of 14. In 1938, just before Britain entered the Second World War, only 4% of seventeen-year-olds were still in school (Stevens, 2004: 12).

[2] The Association of University Teachers (AUT), arguing that there was a massive 50% pay gap between academics and average non-manual earnings, called a national strike over pay by university teachers early in 2004 which resulted in a pay rise over the next three years that is roughly 50% above the current rate of inflation.

The Butler Education Act of 1944 saw developments in the whole education system in the UK, although in comparison with the situation in US and Japan during this period these were relatively modest. By 1962, 15% of 17-year-olds were still in education and just over 4% were in university (of this 4% about 10% were from overseas and there was a significant gender imbalance with over 5.5% of men but only 2.5% of women going to university). A major expansion in the higher education system can really be traced to the Robbins report of 1963, which envisaged for the first time a university education for all those who were adequately qualified for it. (This was assumed to be around 15% of the population group; what Martin Trow (1973) has famously marked as the bottom end of a 'mass education system'). As Table 1 shows, in actual fact, it was to take almost a quarter of a century to reach this figure of 15%. This was, as Stevens (2004: 32) points out, undoubtedly connected with Britain's comparatively poor industrial growth in the 1960s and its even worse economic performance in the 1970s. Nevertheless, the establishment of new universities (such as Essex, Warwick, York which specialised in the social sciences and Aston, Bath, Brunel and Surrey which were more geared to technological education) did see higher education in England eventually, in the late 1980s, move out of the 'elite' and into the 'mass' category of Trow's schema.

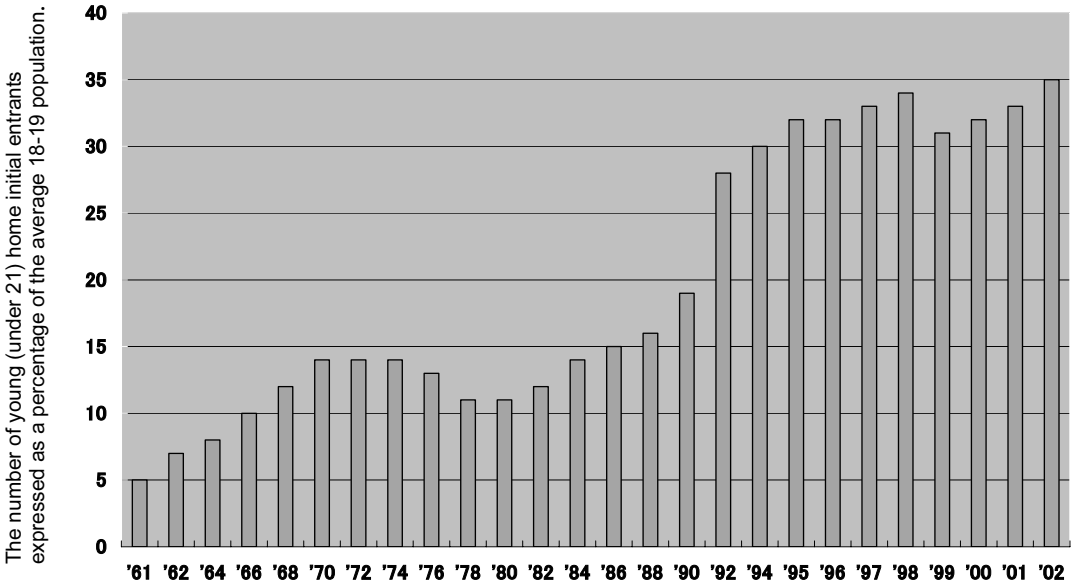
As Figure 1 also shows, once British higher education moved into the mass category, it began to grow very fast indeed. The age participation index (API) doubled in a six-year period between 1988 to 1994 from 16% to 32%. Significantly, though, there was no increase in the proportion of gross domestic product spent on the sector; in 2000, it remained rooted at 1% of GDP, in effect meaning that the funding per student had almost halved since the 1970s, while in the US it had doubled to 2.7% (Galbraith, 2004).[3] While academics in general approved the commitment of the new labour government which came into office in 1997 to further increase the API of students going to university to 50% (Trow's threshold for a 'universal' higher education system) by 2010, they were increasingly alarmed at how far the unit of resource might continue to drop.[4]

Why did British universities move so quickly from an 'elite' to a 'mass' system in the 1980s? There are a number of answers to this question. In part, it was due to a change in the definition of the word 'university'. As a result of the Further and Higher Education Act of 1992, all former polytechnics became universities and the divide between the two sectors disappeared as they came under the banner of a new body called the Higher Education Funding Council (HEFC). Stevens (2004: 68) explains the merger as due to a combination of the British obsession about class (the two systems were seen as divided by class), the need to keep up the supply of foreign students (who were

[3] Different sources give very different figures for the proportion of GDP that different countries expend on higher education. According to Stevens (2004: 102), however, as the system expanded in the UK rapidly, its expenditure per student sent it rapidly down the hierarchy of OECD spending until, by 1997, it was at only 60% of the OECD average. Perhaps more significantly, given the links between school and university education, the British expenditure on education *as a whole* was, at 0.7% of GDP, the lowest in the OECD.

[4] The official Government aim is to expand higher education so that 50 per cent of young people enter higher education by the time they reach 30 years of age. Much of this expansion will be through two-year Foundation Degrees, to be developed in collaboration with employers. The first Foundation Degree courses began in September 2002.

Figure 1 Higher Education Age Participation Index (API) — UK Institutions



Note: The rise in 1997/98 and fall in 1998/99 was largely due to the introduction of tuition fees, which resulted in some students, who would normally have considered deferring entry into HE for one or more years, entering HE straight after finishing their A levels.
Sources: Smith (1998); HEFCE (2004)

reluctant to go to institutions called 'polytechnics'), and the desire to bring the UK in line with other OECD countries in terms of the proportion of the age group who attended university. As we shall see, however, while the divide between the former polytechnics and the pre-1992 universities might have disappeared in name, it remained largely in practice. Indeed, much of subsequent higher education policy related to creating a distinction between research and teaching institutions which can be mapped very closely on to the pre-1992 division of institutions.

Just as important a reason for the expansion in tertiary education in the 1980s, however, can be explained by what came to be known as the 'Thatcherite Revolution' of the British economy as it struggled out of the mire of the 1970s. During the 1980s, under the government of Margaret Thatcher, manufacturing industry in Britain — which had been the mainstay of the economy since the Industrial Revolution — was allowed to virtually disappear, as the government refused to prop up ailing industrial sectors that could no longer compete with new competitors, particularly from East Asia. Unemployment in the industrial heartlands of the North-East, North-West and Midlands rose to levels unprecedented since the Great Depression in the 1930s. In their place, the government encouraged the development of new, knowledge-intensive service and financial industries. These tended to be focussed on the metropolitan areas in the south of the country and the wealth gap between the north and the south of the country became increasingly conspicuous.

These new service industries needed a better-trained work force with higher skills levels than the manufacturing sector, and the gap between those with these skills and those without also began to grow during this decade. Many of those who had missed out on education the first time around took up the opportunity now, often through part-time courses, and many who already had degrees returned to do post-graduate work. By the end of the 1990s, over 40% of all students starting courses in UK higher education were part-time; over 50% were mature students (over 25 years old when they entered higher education); over 16% of all students were doing post-graduate work (DfES, 2004). Many students were a combination of two (for example, 90% of part-time students in the UK were mature students) and some all three categories.[5]

A further factor underlying the increase in the proportion of young people going to university can be related to the changing class structure in England. Class, as many commentators have pointed out, plays a role in English education very similar to caste in India and race in the US. Put simply, higher education has been seen as the preserve of the middle classes. It has been seen as of little relevance by the tiny upper class, which expected to inherit land and wealth. Working or lower class families, traditionally, expected their children to leave school at the first opportunity and to start work; they could see little point in them continuing in an education system when they believed that their class background would, in any case, prevent them getting the middle-class jobs for which university was supposed to prepare students. In some instances, this sense of discrimination was actively inverted in terms of a belief that people with higher education were out of touch with the 'real' world, a form of anti-intellectualism that many commentators have seen as a major curse on the development of an intellectual community in the UK. There are many ways to measure class — and such measurements are made more complex by the fact that while class is an underlying feature of almost all aspects of social life in Britain, it is also a somewhat taboo subject — but if we deal only with those that measure it by father's occupation, then it is easy to see how the class structure changed in the 1980s and 1990s as the proportion of male workers in the service industry increased and that in the manufacturing industry decreased. While the bottom three socio-economic groups accounted for 90% of the population in 1970, by 2000 the figure was around 40%. In broad terms, therefore, in 1970 students from higher social classes were six times more likely to get into university than those from lower classes; by 2000 the ratio was down to three times and the gap was still closing (Baker, 2004b). At the extreme ends of the social class scale, however, an eighteen-year-old from the most favourable social class background (social class one) remained almost seven times more likely to enter higher education than a peer from social class five; while the class system had changed, and the proportion of those from each social class going to university grown greatly, the comparative ratio had remained the same

[5] Allied to increasing demand for higher education was the introduction of a new system of university funding in 1989, which gave universities a financial incentive to respond to this demand. The explosion in numbers that this new system led to, however, was not fully planned and, as the Conservative government of the day backtracked from some of the promised rewards for expanding institutions, some of those institutions which had grown too quickly found themselves in financial difficulties.

(Webb, 1997).[6] In short, as Figure 2 shows, universities remained at the end of the 1990s the preserve of the middle classes, but as the middle classes expanded so did the number of students who attended university.

Figure 2 School Qualifications and University Participation of Young People (under 21) by class in the UK in the mid-1990s

	Professional, management and technical	Other non-manual and skills manual	Semi-skilled and unskilled manual	Total
Household Distribution (%)	39	42	19	100
% with 2 'A' Levels or Equivalent*	50	27	16	33
% with 2 'A' Levels or Equivalent Going to University	77	59	47	67
% of Social Class Going to University (API)	39	16	8	28
% of Young People Entering Higher Education	62	29	9	100

Note: * = 'A' (or Advanced) levels examinations; 2 'A' Levels or Equivalent is generally considered the minimum requirement for university entrance for school leavers.
Source: Metcalf, 1997: 1, 4, 5.

The Development of the Ranking Culture in UK Universities

While the so-called binary divide between polytechnics and universities disappeared in 1992, the history of higher education in the UK ever since has, ironically, been based on the development of a clear hierarchy of all universities. The origins of this movement can be seen in the 1980s when the conservative government — concerned not only to bring down the tax burden in the UK and ensure that tax-payers' money was more efficiently used but also to give consumers of public services a greater choice — introduced what has subsequently been dubbed the 'audit culture'. As Shore and Wright (1999) outline, audit practices in education in the 1980s were associated with a whole cluster of new terms such as 'performance', 'transparency', 'efficiency', 'value for money', 'benchmarks', 'good practice' and 'external evaluation'. In the school sector, they led to the measuring of learning outcomes in all schools through tests given to children at the ages of 7, 11, 14 and 16, and the publication of how schools ranked both within their local area but also nationally on the basis of these tests.[7] Parents were given much greater freedom to choose schools for their children and, certainly in the case of middle-class parents, these tests increasingly played an important role in such choices. The fact that the introduction of this system coincided with a decline in the number of children in the school system also helped politicians when schools needed to be closed; instead of politicians having to make such sensitive decisions themselves, they could argue that the lack of applications to a particular school itself proved that it was not popular.

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[6] By focussing on entry to the most elite institutions, Palfreyman (2001: 38) makes the situation look even more stark: 'There are some 600,000 children emerging from UK schools each year, of which about 50% come from 'less affluent families': from this 50% merely 1% are admitted to the 'top 13' universities'.

[7] The so-called 'league tables' for all primary and secondary schools in the UK can be accessed via http://news.bbc.co.uk/1/hi/education

A similar ranking culture began to be developed in the university sector in the 1980s. The government collected increasing amounts of data through its various agencies and, while these were rarely presented in an hierarchical form, newspapers and other media would utilise these government-collected data in order to construct league tables. Figure 3 presents The Sunday Times University League Table from 2002. Of the seven categories used in this table (which is one of the more simple versions of the league table), how five are measured is relatively self-evident. A-level scores can be measured by looking at the school results of those who enter the university; employment by the proportion of those who have graduated from the university who have secured jobs within six months. First/2.1s refers to the degree levels of graduates (a rather problematic category since it assumes there is a common standard across all universities which the differential entry scores of students clearly demonstrates is not the case). Student/staff ratio and drop out rates (very low in the UK on average compared to the OECD norm) are self-evident categories. The most interesting measurements — in part because they are the most contentious — are the teaching and the research quality scores.

Figure 3 The Sunday Times 2002 University League Table, Numbers 1-20

Ranking (2001 ranking in brackets)		Teaching quality (250)	Research quality (200)	A-level/ Higher points (250)	Employ-ment (100)	Firsts/2:1s awarded (100)	Student/ staff ratio (100)	Dropout rate	Total
1 (1)	University of Cambridge	236	185	248	96	87	100	20	972
2 (2)	University of Oxford	214	178	246	94	85	100	20	937
3 (3)	London School of Economics	212	179	236	96	71	100	-20	874
4 (4)	Imperial College, London	203	167	233	95	73	100	-10	861
5 (6=)	University of Warwick	180	161	221	93	75	90	30	850
6 (16)	University of St Andrews	175	152	205	94	78	80	60	844
7(5)	University of York	219	158	213	95	68	80	10	843
8 (6=)	University College London	188	156	211	95	73	100	10	833
9 (8)	University of Nottingham	179	142	216	96	75	91	30	829
10 (13)	University of Bath	155	148	213	96	74	79	30	795
11 (21)	University of Southampton	169	154	197	94	62	78	40	794
12 (11=)	University of Bristol	156	148	223	96	80	100	-10	793
13 (9)	University of Durham	167	149	212	94	64	76	30	792
14 (40)	School of Oriental and African Studies	167	151	188	92	71	100	20	789
15 (17)	Lancaster University	170	154	183	93	63	70	50	783
16 (15)	University of Edinburgh	156	143	221	95	76	96	-10	777
17 (18)	University of Manchester	147	144	198	95	70	100	20	774
18 (23)	University of East Anglia	150	143	176	96	64	79	40	748
19 (20)	University of Leicester	152	129	183	95	65	100	20	744
20 (10)	University of Sheffield	159	129	207	95	69	84	0	743

Note: The 2002 Sunday Times league table of UK universities and higher education colleges has been compiled using data from the Higher Education Statistics Agency (Hesa), the Quality Assurance Agency for Higher Education, the national funding councils and the 123 institutions themselves. Each university and college is ranked according to the total mark it achieved across seven distinct areas. The maximum possible mark for the first six categories is shown in brackets at the top of each column.

Source: Sunday Times, 2004.

(a) Teaching Quality Assessment The first point to make about the teaching quality assessment system, which was introduced in universities in the 1980s, is that the universities themselves initiated it. This is an important point, since the assessment system has, in recent years, become associated with government interference and regulation of an area which had, until the mid-1980s, been fairly unregulated and protected from government control by its buffer institution, the University Grants Committee, the majority of whose members have been academics.[8] It was in recognition that the government meant to supplant this majority and also that the new culture of accountability very much included higher education (see Kavanagh, 1997: 129-30), that the universities' funding body set up its own Higher Education Quality Council (later renamed Quality Assurance Agency) in the early 1990s to evaluate teaching in universities.

Several points need to be made about the inspections carried out by the teaching assurance institutions. First of all, they were very hands-on and labour-intensive both for the inspectors and those inspected. During the lead-up to a visit (which could be announced up to a year in advance) two or three academic and non-academic departmental (inspections were undertaken at the level of a department's teaching) members of staff would spend a very high proportion of their time in preparation; in most cases, a whole room would need to be set aside simply to house the enormous amounts of paperwork that the inspection teams would request (even though they knew they would never be able to look at it all). The inspection itself lasted up to a week during which the inspection team (academics from other higher education institutions in the same field) could sit in on any classes, lectures, seminars and tutorials they wished, and talk to as many staff and students as possible about the learning experience that the department provided.

Secondly, departments were given scores (out of 24) for their teaching performance. These scores significantly were given not against an absolute national standard but against the aims and objectives that the department had set itself. This meant that those who set these aims high (to provide teaching of an international quality) might be marked more harshly than those which set them low (to give students an overview of their discipline). When the marks were publicly announced, however, few were aware of this fact and, while there was no direct correlation between a teaching evaluation mark and resources received from government, poor reports brought bad publicity both for the department and the university concerned. As we have seen in Figure 3, the teaching assessments played an important role in the increasingly widely used league tables of universities.

The third point about the teaching assessment system, which explains in part why it was relatively easily introduced into UK universities, is that it built not only on a system of external assessment that had already been carried out in polytechnics for many years (and a very high proportion of the assessors who worked for the TQA in its early years were academics from the former polytechnics)

[8] A former Minister of Higher Education, Robert Jackson (1997), described the ideology behind these reforms as follows: 'The universities have moved from a position in which they were private, grant-aided institutions trusted to develop their own idea of what they should be, to a position in which they are seen as public agencies, paid to deliver the services wanted by the government through processes increasingly prescribed by the state'.

but also on an external examination system that had been in existence in the UK since the 1840s. All UK degree programmes at undergraduate, master's and doctoral level involve at least an element of external involvement at the examination stage, stretching from, in some cases, external examiners actually setting the exams for students to them having the final say where there is internal disagreement over marks and offering advice over how the examination process (and by association the programme itself) can be improved. As Morgan (2003: 84) points out, since academics in the UK were used to have academics from other universities attend their examination meetings, it was only one extra step to have them sit in and comment upon their teaching.

During the 1990s all department were assessed by the Quality Assurance Agency (QAA) at least once.[9] There is no doubt that this process forced departments to think about their teaching methods and how they worked with students. It also forced universities to provide more training and support for academics who taught; previously there had been virtually none at all and, as a result, the quality of teaching was varied, to say the least. The work involved in the assessments, however, was enormous both in terms of time, money and opportunity costs (how that time and money might otherwise have been used). At the height of the assessment process in the late 1990s, it was calculated that the total cost of the teaching and research assessments that were being carried out constituted nearly 5% of the total higher education budget. After the first round of assessment, therefore, it was decided to reduce their intensity and move from a system of third-party to a so-called 'lighter-touch' approach of internal teaching assessments that could be verified by external agencies (for more on this new system, see Morgan, 2003: 94ff.). Teaching assessments, however, would remain and significantly, in terms of the argument of this paper, they would continue to play an important role in evaluating the quality of different universities.

(b) Research Assessment Exercise (RAE) The evaluation of research through the research assessment exercise (RAE) is also an important element in the league table of universities. Unlike the teaching evaluation, however, it has important direct financial implications for universities. The evaluation of research pre-dated that of teaching by some years (the first assessment was in 1986) and it has come to play a central role not only in the funding but also the internal organisation of many universities. While it has its many critics throughout the higher education system, it has become increasingly sophisticated during the past twenty years and has also undoubtedly dramatically changed the research culture in many universities. Not least, it has helped define what constitutes good research.[10]

[9] The results of the individual teaching assessments can still be accessed on the QAA website.

[10] Basically, in the social sciences and humanities, 'good research' has come to be defined as articles in peer-refereed journals or monographs published by leading academic publishers. Very little credit is given to textbooks, edited volumes, conference proceedings and other non-refereed works.

At an institutional level, the most important effect of the RAE has been ironically to re-introduce the binary divide between research and teaching universities which the merger of the polytechnics with the universities in the early 1990s seemed to have removed. While there is not an exact mapping between the status of the universities pre-1992 and where they stand on the RAE tables after the 2001 exercise there is a very high level of correlation. This can be seen easily, for example, in Figure 4 which compares three sets of institutions, which are geographically close to each other but which were on either side of the binary divide in 1992. While teaching grants relate directly to student numbers, direct HEFCE research grants are of an order of 10-25 times higher in favour of the pre-1992 universities. If one adds in research grants received through open competition, which go in even higher proportion to the pre-1992 institutions, then the ratios are much higher.[11] The top 15-20% of the higher education institutions currently receive over 80% of the total research financing while the rest, as Palfreyman (2001: 33) puts it, 'get crumbs from the table'.

Figure 4 Higher Education Funding Council of England (HEFCE) Direct Grants for Teaching and Research at Selected Universities, 2003/4

Universities	Funding allocations (£m)		
	Teaching	Research	Total (after adjustments)
Uni. Coll. London	53.7	77.3	135.5
Univ. Westminster	46.4	1.8	50.2
Oxford	51.8	76.0	132.2
Oxford Brookes	27.1	1.9	30.5
Manchester	59.1	43.2	106.2
Manchester Metropolitan	65.1	2.9	71.3

Source: HEFCE, 2004.

At an individual level, in those universities which receive large amount of money through their research, there are increasingly few staff who are not research-active; at the same time, there is an increasingly vibrant transfer market for research-active staff in universities which are more oriented to teaching. The mobility of academic staff in the UK has increased greatly in the past twenty years, particularly in the period running up to each RAE as universities try to poach staff to be included in their submissions.[12] More importantly though has been a dramatic change in the employment conditions of staff at the research-oriented universities. Here, in order to undertake often relatively short-term research projects, there has been a huge increase in contract staff. While in the non-research universities, the majority (around 90%) of staff are on secure long-term contracts, in the

[11] Out of the total Oxford income in 2002-3 of £458 million, research income totalled 228.3 million (i.e. almost exactly 50%) while fee income was only 56 million (i.e. 12%) (Oxford Outline, 2004: 38-9).

[12] This market is expected to be particularly active with the next RAE which will allow institutions to include any staff on their books on 31 October 2007 and not allow them to include any staff who are not, regardless of whether they left only within the previous month.

research universities, a very significant proportion are not. At Oxford, which receives more money for research than any other university in the UK, of the total academic staff of 3,811 in 2003, 2,383 (62.5%) were research-only staff, the vast majority on non-renewable contracts of between one and four years (Oxford University, 2004: 40).

After each exercise, there has been much talk of the RAE disappearing, either because it is too expensive to run or because it is so unwieldy.[13] In general though the system is supported by the research universities (for obvious reasons in that they find themselves in a virtuous circle of funding producing research that generates more funding) while even those institutions which receive virtually no direct benefit from it were indignant when it was proposed in 2003 that they be excused having to participate in it (see Stevens, 2004: 155-6). The exercise has become a crucial element in not only the way that universities are funded, but also how they are perceived and perceive themselves. All universities and academics wish to receive some recognition for their research as well as their teaching work.

The Ranking of Universities and the Question of Fees

Put simply, one of the major fears of those who opposed the 2004 Bill to introduce higher fees for university students was not so much the rise in the cost to students of their education but that universities might be able to charge differential fees both from each other and for different courses. Such a change, of course, might appear logical in the light of the 'ranking culture' that had developed in higher education through the TQA, RAE and other auditing practices over the previous two decades; if some institutions appeared to be offering a superior product, it might seem natural that they be allowed to charge more for it in an open market. Opponents of the Bill, however, expressed fears that this would price out poorer students who would be relegated to a second class course or university or put off going to university altogether. While there was a coalition of opponents from Left to Right, representing in very broad terms the working and the middle classes, the underlying motivations of their opposition were far from the same. On the Left, there were serious concerns among what has come to be known as 'Old Labour' (previously called 'socialists'), that differential fees would result in inequality of opportunity and therefore also inequality of outcome via the higher education system as a result of the financial circumstances of different students. Given the elitist and exclusivist histories of institutions like Oxford, Cambridge and Durham, it was not difficult for them to conjure up an image of an exclusivist system resulting from these reforms; Oxford in particular was criticised for already

[13] The basic principle of the exercise is to grade departments on the basis of up-to four pieces of work submitted by as many members of the department as it decides to enter. These pieces of work are then evaluated individually by academics in the field and a departmental grade is decided on the basis of which the government's funding body (HEFCE) awards a grant (which is a calculation of the quality of the department's work multiplied by the number of staff submitted) to the university in which the department belongs. In some universities, this money is passed down directly to the department in question, but in others it is used to subsidise departments which did poorly in order to help them do better in the next RAE. In extreme cases, poor RAE results are used as a reason to close down whole departments which are perceived to be a burden on the university's finances.

not admitting enough students from state schools. On the Right, middle class parents, many of whom had paid for their children to go to private schools (average fees at which in 2003 were over £9,000 a year) were reluctant to have to pay more for university and they were only too happy to support the argument that the introduction of higher fees would demotivate students from poorer backgrounds. In actual fact, as the government pointed out, given the unequal distribution of children from working and middle classes who already attended universities, the sector as a whole constituted a hugely subsidised perk for the middle class through the taxes of the working classes. Moreover, just as 40% of those in university were already not paying any fees at all, so many would continue not to pay in the new system. Students would continue to be admitted on the basis of academic ability and not ability to pay.

In late April 2004, the dust is beginning to settle a little after the excitements surrounding the vote in the British parliament at the end of January. The government has been stepping back from its commitment to have 50% of people going to university by the time they reach thirty towards this being a broader aim in the context of an expanding sector. The £3000 cap has been placed at such a level that it seems that the vast majority of courses at most universities will be charging it or something close to it, so that the spectre of differential fees has been deferred until the cap is lifted, the timetable for which is still not clear. The money that the government will pump into universities during the next three years (knowing they will get it back through the tax system a few years down the line) is at least secure money for the higher education system in a way that a general increase in taxes, for example, could not be. Attempts to introduce more diversity (known as merit points) in the salary system (argued by some as essential to prevent talented researchers taking their skills elsewhere) have been seen off for the moment by the Association of University Teachers, which is worried about losing its collective bargaining powers. There have, however, been substantial and very welcome pay increases introduced at the very bottom of the academic pay scale. Overall, though, the recent Bill will probably be seen as a watershed in a long process in which higher education has gradually changed from being perceived as a public good — provided by the state for the good of the state — to a private good in which individuals are free to invest for their own futures. In this process, which seems to be a universal one, the UK is leading the rest of Europe, but is still a long way behind the United States and Japan.

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Presentation 9

Quality Assurance of Higher Education in Japan

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Japan University Accreditation Association

Quality Assurance of Higher Education in Japan

Sanae Maeda*

Approval of the University

In my presentation, because of the limited time, I would like to concentrate on recent changing circumstances of the quality assurance system of higher education in Japan.

Let me add a few words about the term "university" as used in Japan. It is used in a very broad sense and when we say a university, we mean a higher/tertiary institution which has four year course of education for bachelor's degree and the establishment of which was approved by the Ministry of Education of the National Government. Many of the universities have graduate schools and research institutes, which we consider as components of the university.

There are three kinds of university in Japan in terms of ownership. One is national university, which is established by the National Government. Second is what we call public university, which is created by local government and approved by the Ministry of Education. Third is private university. Under the law, a private university can be established with the approval of the Ministry of Education only by a particular non-profit foundation set up solely for the purpose of providing education and recognized as such by the Government. We call the foundation school juridical person. Primary and secondary private schools can also be established only by such school juridical persons.

At present, there are 689 universities in all in Japan. Universities vary in their shapes and sizes from huge ones having over 15 faculties with more than 50,000 students to small ones such as a single-faculty university and a women's-only university.

In Japan, the establishment of a university is required by law to be approved by Ministry of Education of the National Government. Setting-up of a new degree-awarding faculty or graduate school within a university after being approved must also be approved anew. For the granting of approval, law and regulations prescribe standards and criteria, some of which consist of quantified measures. Thus the Ministry has secured, through the approval granting process, minimum level of the quality of universities.

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Voluntary System of Quality Assurance by JUAA

The Association (JUAA) is a voluntary association of universities in Japan independent of the Government, organized in 1947 for the purpose of improvement of the quality of higher education through self-improving efforts and mutual cooperation of its members.

The Japan University Accreditation Association (JUAA) accredits approved universities in accordance with its own University Standard and assists them to improve.

Of 689 universities in Japan, about 43 percent are the formal members of JUAA, the formal members being 41 national, 22 public and 231 private universities.

A university seeking the membership (the membership means the status of formal member) must apply for JUAA's accreditation and be accredited. Once admitted, a member-university has to obtain the initial reaccreditation in five years and thereafter must go through the process every seven years.

JUAA's accreditation is modeled after the American system. It has the following characteristics:

(a) The quality of a university is evaluated in the light of its own missions and objectives. Thus JUAA does not aim, through its accreditation process, at making universities fit into a certain mold of its own making. It pays due respect to the uniqueness and special characteristics of each university.

(b) The quality of a university is evaluated in accordance with the University Standard, which JUAA adopted on its own. The provisions of the Standard are set out in general and abstract terms and they place emphasis on the missions and objectives of a university.

(c) The quality of a university is evaluated on the basis of the self-study report submitted by the applicant-university.

(d) In the decision of accreditation, JUAA usually offers advices and recommendations on matters that need improvement. In three years, the university must report to JUAA on the measures it has taken concerning the matters pointed out.

As I mentioned above, establishment of university is required by law to be approved by the Ministry of Education of the National Government. The law and regulations, besides prescribing detailed standards and criteria for the granting of approval, request the universities to conduct self-study of their operations and make the results public. But the law does not say that universities must undergo evaluation by external agency.

Thus universities can decide by themselves whether to join JUAA and go through its periodical evaluation and accreditation process. The decision to join is entirely autonomous and voluntary. This is the reason why more than half of the universities remain uncommitted to JUAA. It means that those non-member universities except national universities have never come through assessment by external evaluation agency.

JUAA is a voluntary association of universities independent of the Government. It has established its own standards, criteria and procedures of its evaluation and accreditation and carried out its functions on the basis of voluntary cooperation of the member-universities.

The system of quality assurance of higher education in Japan up to now can be summarized as follows:

- the Government grants approval of the establishment of university;
- university is required by law to conduct self-study of its operations and make the results public;
- JUAA, through its periodical evaluation following its own standards, criteria and procedures, assures independently of the Government the quality of its member-universities; and
- non-member universities except national universities have remained un-assessed by any external evaluation agency.

The system is now undergoing a profound change.

Growing Need for University Evaluation

Recently, there has been a growing need for effective university Evaluation in Japan for the following reasons:

(a) Universities are expected to allocate their resources selectively, through their own evaluation to priority research subjects in order to strengthen their research functions so that they can rank among top-level universities worldwide.

(b) Since the decrease in the youth population has made it difficult for universities to survive, they have to work harder than ever to improve and expand their educational functions to achieve a higher quality of education, with the aim of offering diversified and distinctive educational programs.

(c) As the international standardization of professional qualifications is demanded, evaluation of educational programs aimed at achieving that goal is needed.

(d) The advancement of information technology has enabled higher education to cross national boundaries, requiring assurance of its quality.

(e) As universities receive substantial amount of fund from both public and private sectors, they are being held accountable for their operations.

Changes in Circumstances Surrounding University Evaluation

In view of the reasons described above, the national government has recently brought major changes to the circumstances surrounding university evaluation. Such major changes include the following:

(a) The evaluation of national universities by the National Institute for Academic Degrees (NIAD), a government agency, was set up.

The Ministry of Education introduced a competition policy for national universities and initiated evaluation on a trial basis by NIAD of national universities in order to strengthen

them. Subsequently, the government decided to make national universities independent administrative corporations and meanwhile requested its ministries to assess independent administrative corporations placed under their respective jurisdictions. Therefore, NIAD was forced to change the objectives of its evaluation in order to meet Government's comprehensive plan of policy assessment.

(b) The national government launched the 21st Century Centers of Excelence (COE) Program.

This program, which was launched in 2002, aims at reviewing and evaluating universities in order to develop certain universities as centers of scientific research through preferential fund allocation.

Universities expect to gain good reputation rather than funding by applying for this program.

(c) The government launched to support good practices in educational programs in 2003.

This support program was launched to review and evaluate educational programs of universities with the aim of diversifying and revitalizing the entire higher education system in Japan through preferential allocation of funds to good practice. JUAA actively promotes the implementation of this program.

(d) And then the national government plans to initiate Mandatory System of Quality Evaluation, a new university evaluation system, in 2004.

The Upcoming Mandatory System of Quality Evaluation

In recent years, the government has emphasized its deregulation and competition policies.

Higher education has not been made an exception.

Moreover Japan is now under a strong pressure from abroad to open its higher education market. Recently some countries of WTO made a formal request to the Japanese Government to liberalize its rigid regulatory system of higher education.

Implementing its deregulation policy in the domain of higher education, the Government has amended education laws so as to lessen the prior entry regulation and to establish an effective scheme of quality assurance. The Ministry of Education continues to hold the power to grant approval of the establishment of university, but the conditions for approval are relaxed considerably. The laws' amendments, which will take effect on April 1, 2004, will bring about a radical change in the quality assurance system.

First, the amended laws put all universities under the legal obligation to go through evaluations every seven years by external agency certified by the Ministry of Education. In the history of higher education in Japan, this is the first time we are going to have a comprehensive and mandatory system of quality evaluation of universities.

Secondly, the Ministry of Education is given by the law the power to certify evaluation agency. The law prescribes several conditions for the certification, one of which says that a would-be certified

agency (that is, the applicant for certification) shall have established the criteria and methodology by which it can perform the evaluation fairly and properly.

JUAA plans to be a certified evaluation agency under the law. It intends, or rather is forced, to bring its voluntary system of accreditation into the law's framework of mandatory system so that universities successful in JUAA's evaluation for accreditation will have fulfilled their legal obligation to undergo certified evaluation. As I said earlier, JUAA, independently of the Government, has established its own standards, criteria and procedures of its evaluation and accreditation and performed its functions on its own responsibility. The law means to change the situation greatly. Under the law, in its certification process, the Ministry of Education will have a say as to, among others, what the JUAA's evaluation criteria and methodology should be. In its application for the certification, JUAA must show, among others, that its criteria and methodology satisfy the conditions prescribed by the law. If the Ministry finds the criteria and methodology unsatisfactory, it may request improvement or deny certification.

Thirdly, the law does not specify the type of bodies that will be certified as evaluation agency. The NIAD, which was reorganized on October 1, 2003 and was made an independent administrative corporation, plans to undertake the task of certified evaluation. In addition, a voluntary association of universities like JUAA, a for-profit corporation engaged in business other than education, or even a foreign accreditation organization can be a certified agency. Needless to say, these bodies will have to satisfy the conditions prescribed by the law for certification. But as the law does not make it an indispensable condition for an applicant body to have had sufficient experience of evaluation of universities, it is possible that a body that has had no such experience will appear as a certified agency.

Fourthly, in addition to what has just been said, it has to be noted that under the amended law, it is most probable that multiple bodies will be certified as evaluation agencies. JUAA has long been recognized as the sole organization for evaluation and accreditation of universities in Japan. We foresee the situation in which several certified agencies including JUAA engage in substantially the same evaluation activities competing with each other. The competitive situation will put universities in a position that in fulfilling their legal obligation to undergo certified evaluation, they could choose from among the several competing agencies. A university will choose one of the agencies at one time for the evaluation and after the seven year's cycle, it may go to other agency. The university does not have to stick to the agency of its first choice. The Ministry of Education seems to be quite positive about the competition among the evaluating agencies, but as for myself, I am not sure if such a system will truly contribute to the assurance and improvement of the quality of universities.

Fifthly, it is also extremely diverse from the viewpoint of the evaluation method because NIAD's method is different from accreditation and because some of the evaluation agencies that will be established plan to accredit only private universities.

There is concern that viewed from overseas; the government's system for certifying these various types of evaluation agencies on the basis of a single set of criteria applicable to all of these agencies

may be difficult to understand. How the new Recognition and Evaluation System will be accepted by the academic community remains to be seen.

Concluding Remarks

As has been said, the quality assurance system of higher education in Japan is undergoing a profound change. Looking ahead, people concerned have some misgivings about the merit of the reform, especially with regard to the Ministry of Education's having a part in the evaluation process and the competition among the certified agencies. In these changing circumstances, however, JUAA remains confident that it will be able to continue to play a significant role in the assurance and improvement of the quality of higher education in Japan. JUAA's strength lies in the fact that it has a rich experience of accreditation for more than forty years; that as a long-standing membership organization, it has the consistent support of member-universities; that through giving recommendations and advices in its accreditation, it has made contributions to the improvement of the quality of member-universities.

With such remarkable achievements, it is important for JUAA to play the role of forerunner of various evaluation agencies, to make effort for development of the method for enhancing the effectiveness of self-study of a university and to improve the evaluators' skill. I am sure that such efforts will lead to improvement in the quality assurance system of high education in Japan.

Presentation 10

CROSSROADS.

Building Systems and Ensuring Quality in South-East Asian Higher Education

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CROSSROADS.

Building Systems and Ensuring Quality in South-East Asian Higher Education

Anthony Welch*

The balance between the public and private sector is currently changing. Public sector education systems cannot meet sharp increases in demand and, as a result, the private components of higher education systems (especially for-profit institutions) have grown relatively quickly. But the growth of the private sector has tended to be quite haphazard.[1]

Introduction

Debates regarding the development and enhancement of national systems of higher education, and quality assurance, usually take place against a backdrop of a century more of tradition, a mass higher education system with well-developed infrastructure, stable and representative government, and relatively high levels of individual and national wealth. None of these assumptions should be taken-for-granted when considering the development of higher education in South East Asia. On the contrary, poverty, corruption and cronyism, starkly differing levels of infrastructure and quality in higher education, and differing levels of state capacity and good governance, characterize many of the nations of S. E. Asia.

Despite their developing country status, all of the five Association of South East Asian Nations (ASEAN) member countries to be considered in this analysis (Indonesia, Malaysia, Philippines, Thailand and Viet Nam), have ambitious plans to extend higher education to larger proportions of their populace, who are in turn pressing their governments for more and more places for their children, and more institutions of higher education.

The first is that higher education is seen by governments and international organisations such as the World Bank, as critical to the supply of the highly skilled personnel that, in a more post-Fordist world, are said to be the foundation of the new knowledge economies:

> "The quality of knowledge generated within higher education institutions, and its availability to the wider economy, is becoming increasingly critical to national (and one could add international) competitiveness."[2]

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[1] World Bank. (2000). The Task Force on Higher Education and Society, *Higher education in Developing Countries.* Washington: World Bank, p. 58.

[2] World Bank. (2000). *Higher Education in Developing Countries…,* p. 9.

Just as countries such as China have announced ambitious schemes to extend provision of higher education to substantially greater proportions of the Chinese populace (the current target is 15% of the relevant age cohort by 2010), so too are many somewhat smaller developing countries. Governments of developing nations tend to see universities, not merely as institutions of great national and international prestige (and as important repositories of national culture), but crucially, as springboards to the future, perhaps in concert with key industries such as IT, engineering and science, with which many of its better established universities are now engaged in cooperative or contract research. Just as information and communications technologies (ICT) are seen as critical to development priorities, so too higher education is increasingly seen (especially in a more neo-liberal, economically rational world)[3] as a driver of economic growth, putatively even enabling developing nations to leap-frog intermediate stages or countries in their quest for development. (As seen below, however, the parallel with higher education goes further, however, since just as with information technology, this fervent aspiration is not so easily achieved, at least in the shorter term).

Compared with lower levels of education, however, tertiary education is particularly expensive to provide, and even more so in the mission-critical departments and faculties of IT, engineering and science:

> "By their very nature, science and technology have always demanded significant and ongoing investment to establish, maintain and expand the 'engine' of physical infrastructure — including laboratories, libraries and classrooms. They also need a rich (and expensive) fuel of textbooks, computers, equipment, and other supplies."[4]

This is less the case in the area of business, although even here, to establish an internationally reputable, well-staffed business school takes both time, and a considerable investment. To develop Stanford Business School, or INSEAD in France, to their current level, took time, planning and a considerable, ongoing injection of resources, something often unavailable in developing countries.

It is hence important to remind ourselves here of basic Asia facts, such as the following:

- 900 million Asians still live on less than US$1 per day (75% of the global total);
- nearly 40% of the population is under the age of 18;
- 75% of the world's illiterates, two thirds of whom are poor women, live in Asia;
- millions of children who complete primary school can neither read or write, and millions more drop out each year, due to poverty;
- half of all children in the region are not enrolled in secondary school, most of them poor;
- almost 40% of children aged under five are malnourished, and hence unlikely to achieve their full intellectual potential;

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[3] Pusey, M. (1991). *Economic Rationalism in Canberra. A Nation-Building State Changes its Mind*. Cambridge: Cambridge University Press.

[4] World Bank. (2000). *Higher Education in Developing Countries…*, p.71.

- some governments expend more on their military, than on their children; and
- only 6.5% of Asian Development Bank (ADB) spending has been for education.[5]

Thus, while the ambition and commitment of developing countries to expand opportunities for higher education in these key areas, and at the same time to build world class departments, is ubiquitous, the question of how far and fast they can move on this front is a genuine one. This is all the more the case when one considers that many developing countries, including the majority of the countries in this survey, had a tertiary enrolment ratio in the second lowest category of all internationally (between 5 and 15 percent) in 1995,[6] while quality is still problematic in all of the ASEAN Five.

What this adds up to, is that the existing scientific gap between South and North is huge, and growing, exacerbated by trends that are examined below. This is not surprising, when examining some simple statistics. The North, for example, has something like ten times the proportion of R & D personnel (scientists and technicians) per capita as the South (3.8%, compared to 0.4%), and spends about four times the proportion of GDP on research and development (R & D) (2.0% compared to 0.5%). In addition, it registers some 97% of all patents registered in the USA and Europe, and, together with the newly industrialising countries of East Asia, accounts for 84% of all scientific articles published.[7] While it must be admitted that such indices as Science Citation Index (SCI) Social Science Citation Index (SSCI), Engineering Index (EI) and the like are skewed in favour of English language journals, (thereby adding linguistic disadvantage to the existing disparities of wealth, for the ASEAN Five), it is illustrative to note the following publication differentials:

Table 1 Papers and Citations, ASEAN Five, 1980s and 1990s

Country	No. of Papers 1981	No. of Papers 1995	No. of Citations 1981-85	No. of Citations 1993-97
Indonesia	89	310	694	3,364
Malaysia	229	587	1,332	3,450
Philippines	243	294	1,379	2,893
Thailand	373	648	2,419	8,398
Viet Nam	49	192	203	1,657

Source: *Higher Education in Developing Countries*, p. 125-7.

Comparative figures help put this into perspective: the number of publications for Australia (with a population similar to that of Malaysia) for 1995, for example, totalled 18,088, while the total for Japan (with a population just over 60% of Indonesia's) was 58, 910. Citation counts for each country 1993-97 were 301,320, and 930, 981 respectively.

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[5] Asian Development Bank (2002). *Education Sector Policy Paper (Draft)*. Manila, ADB, p. 3.

[6] World Bank. (2000). *Higher Education in Developing Countries…,* See Figure 1, pp. 12-13. It should be noted that, in the case of the Philippines, which had the highest enrolment ratio of all five countries (30% in 1995), the quality of the majority of higher education institutions, particularly in the private sector is low.

[7] Ibid., p. 69

These stark disparities exist, notwithstanding the existence of traditions of great respect for education and the role of the teacher in society that obtain in much of Asia, and East,[8] and South East Asia particularly and despite the venerable forms of learning that long existed in countries such as Viet Nam (where Hanoi's Temple of Learning — recently refurbished by American Express — contains the stele of scholar-priests of many centuries ago, and Thailand, which exhibits a longstanding Buddhist tradition of commitment to learning.[9] The relative commitments to public education, and GDP per capita, may be seen in the following table.

Table 2 Commitment to Public Education, by Country

	Public Education Expenditure				Public Expenditure by Level (as % of all levels)						
	As % of GNP		As % of total Government Expenditure		Pre-Primary And Primary		Secondary		Tertiary		GDP Per capita (US$)
HDI/ Country	1985 -87	1995 -97	1985 -87	1995 -97	1985 -86	1995 -97	1985 -86	1995 -97	1985 -86	1995 -97	1995
59 (.782) Malaysia	6.9	4.9	18.8	15.4	37.8	32.7	37.1	30.6	14.6	25.5	6,916
70 (.762) Thailand	3.4	4.8	17.9	20.1	58.4	50.4	21.1	20.0	13.2	16.4	4,869
77 (.754) Philippines	2.1	3.4	11.2	15.7	63.9	56.1	10.1	23.3	22.5	18.0	1,760
109(.688) Viet Nam	..	3.0	..	7.4	..	43.0	..	26.0	..	22.0	…
110(.684) Indonesia	0.9	1.4	4.3	7.9	..	..	..	73.5	..	24.4	2,478

Notes: NB Indonesia's expenditure as % of GDP, and % of total expenditure excludes Higher Education. Its figure for 'Secondary 1995-97' includes pre-primary, primary and secondary, and is limited to the Ministry of Education (i.e. excludes Ministry of Religious Affairs, [MORA], and other Ministries), as does the figure for tertiary. The Human Development Index (HDI) is a composite index comprised of three elements: longevity (life expectancy), knowledge (educational attainment) and standard of living (real GDP per capita, expressed in purchasing power parity dollars).

Source: Developed from UNDP *Human Development Report 2002*, pp. 179-180, et passim, *Higher Education in Developing Countries. World Bank, Task Force on Higher Education and Society*. (Washington, World Bank, 2000), *World Education Indicators*.

To gain a clearer idea of the picture revealed from the data in the above table, the comparative figure for proportion of Tertiary Public Expenditure by Level (Tertiary) 1995-97 for Australia is 30.5%, and for Japan, which has a comparatively much larger private higher education sector, is 12.1%. GDP per capita for Australia for 1995 was $15,952, and for Japan $15,338.

It is also important to note in this context that, in addition to rising aspirations, pressure upon tertiary provision also stems from the demographic profile of all five countries, both in terms of the relative youth of their populations, and the high fertility rates, (relative to developed nations). The

[8] Watkins, D. & Biggs, J. (1996) *The Chinese Learner: Cultural, Pshychological and Contexual Influences*. Comparative Education Research Centre, Hong Kong & Australian Council for Educational Research Ltd, Melbourne.; and Watkins, D. & Biggs, J. (2002) *Teaching the Chinese Learner,* Melbourne: Australian Council for Educational Research Ltd.

[9] Bovonsiri, V., Uampuang, P., & Fry, G. (1996). Cultural Influences on Higher Education in Thailand. Kempner, K. & Tierney, W. G. (Eds.) *The social role of higher education: comparative perspectives*. NY: Garland, pp. 55-77.

implications of each may be seen in the following table.

Table 3 Demographic pressures on Higher Education, ASEAN Five

Country	Total Population (millions) 1975	Total Population (millions) 2000	Annual Population Growth Rate (%) 1975-2000	Population under 15 (as % of total) 2000
Malaysia	12.3	22.2	2.4	34.1
Thailand	41.1	62.8	1.7	26.7
Philippines	42.0	75.7	2.4	37.5
Indonesia	134.6	212.1	1.8	30.8
Viet Nam	48.0	78.1	2.0	33.4

Source: *Compiled from UNDP Human Development Report 2002*

Gross enrolment ratios for the ASEAN Five for different levels, over the past three decades or so, are as follows:

Table 4 Gross Enrolment Ratios (%), by Level, Year and Gender

	Primary		Secondary		Tertiary				1965		1995	
Country	1965	1995	1965	1995	1965	1975	1985	1995	Male	Female	Male	Female
Indonesia	72	115	12	50	3	2	7	11	3	1	15	8
Malaysia	90	92	28	61	2	3	6	11	3	1	12	10
Philippines	100	116	41	79	19	18	38	30	17	21	25	34
Thailand	78	87	14	55	2	4	20	20	2	1	19	22
Viet Nam		114						4			6	3

Source: Compiled from *Higher Education in Developing Countries*, pp. 104-106

It is important to consider the implications of the above here. Given a young population (only one of the ASEAN Five has less than 30% of their population under the age of 15, and in the case of the Philippines it is closer to 40%), rising levels of aspiration for higher education, and a tight budgetary context, the state is less and less likely to be able to satisfy demand for tertiary entry. How far is this likely to fuel demand for private higher education? And if so, what does this mean for equity, in countries, where under the influence of globalisation and structural adjustment, the gap between the rich and poor, already large, is only widening?[10]

An important measure, albeit perhaps somewhat crude, is the differing proportion of private institutions of higher education in the ASEAN Five countries, as indicated in the following table (although private HEIs in both Viet Nam and Malaysia, have grown in both number and size, significantly, even since these figures).

[10] See inter alia, Mok, K-H. & Welch, A. (Eds.)(2003). *Globalization and educational restructuring in the Asia Pacific Region*. London: Palgrave Macmillan.

Table 5 Distribution of Students in Public and Private Institutions of Higher Education, ASEAN Five, 1997-98.

Country	Public	Private
Indonesia	44	59
Malaysia	100	0
Philippines	25	75
Thailand	60	40
Viet Nam	100	0

Source: Gonzales, A. (1999). Private Higher Education in the Philippines, Altbach, P. (Ed.) *Private Prometheus: Private Higher Education and Development in the 21st. Century,* Greenwood Press. p. 116.

Also of considerable importance, is the substantial diversity of political system within the ASEAN Five. This ranges from a socialist polity struggling to adapt to the demands of a market economy (Viet Nam), to long-term capitalist regimes, such as the Philippines. Their overt political ideology makes a difference to their higher education policies in each case, although there are two factors that moderate these differences. The first is the powerful homogenising effects of economic globalisation and structural adjustment which, as is argued below, is moving many systems in a similar direction, albeit at different paces, and to differing degrees.[11] The second is the gap between official rhetoric and actual practice in each case. Although Viet Nam chooses to call its private universities, "People's Universities" for example, they are in many ways little different in form and function to private institutions in other countries.

Significant differences also exist in terms of the coverage of higher education across the ASEAN Five, as indicated in the following table.

Table 6 Higher Education Participation per 100, 000 inhabitants, by country

Country	Number of H/Ed. Students per 100, 000 inhabitants
Indonesia	1,167
Malaysia	971
Philippines	2,981
Thailand	2,096
Viet Nam	404

Source: *Higher Education in Developing Countries*, 2000, Pp. 108-111, year of data is 1995 or Latest Year Available (LYA).

Clearly, however, the differences evident in Table 6 are by no means explicable in terms of measures of wealth, alone. While the fact that Viet Nam's GDP per capita remains significantly below that of the next lowest country (Indonesia), might account for its position as offering the least coverage of higher education, wealth alone clearly fails to explain why Indonesia has better coverage than its much wealthier cousin Malaysia. Nor do measures of wealth explain why coverage in the Philippines is so much more extensive than its much wealthier neighbour Malaysia. Clearly, other

[11] See inter alia, Welch, A. & Mok, K-H. (Eds.)(2003). Conclusion. Deep Development or Deep Divisions, *Globalisation and Educational Restructuring in the Asia Pacific Region*. London: Palgrave Macmillan.

factors need to be taken into account. Viet Nam's capacity has not merely been hindered by its relative poverty, for example, but also by the fact that it has only been free of war for something like 20 years. On the other hand, the apparently exemplary coverage demonstrated by the Phillipines is one index of its very large and very uneven private education sector, which educates something like 3 in 4 of all university students in that country. In terms of the balance of higher education provision, a visible trend within the region evident over the past decade or more, is towards the private sector. In Thailand, for example, the number of private higher educational institutions (HEIs) rose from 11 in 1976 to 31 in 1994,[12] while by the late 1990s, after an abortive attempt at regulation of the sector, in the Philippines some 80%+ of institutions were private, many Catholic. Overall, regional gross enrolment rates in higher education lag well behind those of developed nations — 10.8% for less developed countries of SE Asia in 1997, compared with 80.7% for the USA, and 50.7% for Europe.[13]

Globalization and Higher Education

These trends require some explanation. Part of the changes to educational policy-making and reform over the past decade or two lies in the fact that they are no longer framed in merely national contexts. Educational policies, too, are now increasingly global, as nations increasingly seek competitive advantage, including through reform and re-structuring of their education and training systems. The inter-related nature of reform is compounded by the influence of major international organs such as the IMF and World Bank. These bodies have a particularly strong influence upon developing countries, in that negotiations surrounding loans to reform or expand key sectors of national education systems are often framed in relation to prevailing reform ideologies of such agencies. That the process of negotiation is used to shape reforms at the national level is made clear in the following quote:

> "Long term and concessionary loans for higher education can help governments invest in higher education, in a more sustained and consistent fashion, while debt relief can be negotiated in exchange for systemic higher education reform."[14]

Thus one of the more powerful processes that affects the capacities of states to reform their education systems, and the extent to which they might be able to inject more resources into public education is now arguably globalization. This occcurs at two levels, the general and the specific. While it might be generally accepted that "today's world involves interactions of a new order and intensity",[15] the term globalization has now become an increasingly elastic and contradictory concept,

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[12] Bray, M. (2002). Financing Higher Education in Asia: Patterns, Trends, and the Impact of Globalisation, Hangzhou Conference on 'Globalisation of Economies and Internationalisation of Higher Education' Sep. 2002, citing Woodhall, M. (1997). The Reform of Higher Education Finance in Developing Countries: Some Implementation Issues, paper presented at the World Bank Human Development Week, University of Maryland, College Park, p.2.

[13] *World Education Report 2000*. Paris, UNESCO 2000, p. 116.

[14] World Bank. (2000). *Higher Education in Developing Countries…*, pp. 57-8.

[15] Appadurai, A. (1996). *Modernity at Large: Cultural Dimensions of Globalization*, London: University of Minneapolis Press, p. 27.

used with abandon by politicians, the media, and scholars of very different persuasions. The British scholar Leslie Sklair has recently proposed a useful typology of globalization accounts. He outlines four principal approaches, each with their own heuristics: the world-systems approach, the global culture approach, the global society approach, and the global capitalism approach.[16] At least two have implications for education, as will be seen below.

Sklair's second model, which he terms global culture, contrasts with the world systems model, in that it prioritizes the cultural over the economic. Contemporary debates hinge on the changing dialectic of individual and national identity within the face of an emerging global culture — hence the relationship of the global to the local, or the so-called 'global-local nexus.' Specifically, the role of information technology, and mass communications are central to this account, although the role of the English language is also key, as is seen below. In principle, people in many parts of the world now often see much the same images, and perhaps even interpretations, at much the same time, almost instantaneously: "Moving images meet deterritorialized viewers."[17] In practice, those "diasporic public spheres"[18] are often owned by a Murdoch, or a Gates, thereby underlining the need for a political economy of cultural flows, as also an understanding of the class relations of culture.[19]

The dominance of US based materials within Web-based higher education is pertinent to this account, once again highlighting the growing globalisation of the English language.[20] It is, for example, striking that, of the five countries that comprise the largest hosts for international students, three are from the English-speaking world: the USA, the UK, and Australia.

A further powerful example of cultural globalisation, also linguistic, underlines that linguistic imperialism is not new. The imposition of European languages is important in the history of higher education, in both the Philippines and Viet Nam, for example. In the former, Spanish became the language of the earliest HEIs, beginning with Santo Tomas in 1611. In Viet Nam, in the seventeenth century, a French priest converted the existing Chinese script form, long used in Viet Nam, into a romanised form. During the course of its century of colonialism beginning from about the mid-nineteenth century, the French promoted this latter form energetically within the colonial education system.

More recently, the rise to global dominance of the English language, led to what has been

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[16] Sklair, L. (1999). Globalization: New Approaches to Social Change, in Sociology: Issues and Debates, (Ed.) Taylor, S., London: Palgrave Macmillan, pp. 321-345; Sklair, L. (1998). Social Movements and Global Capitalism, in *The Cultures of Globalization.* (Eds.) Jameson, F. & Miyoshi, M., Durham: Duke University Press, pp. 291-311.

[17] Appadurai, p. 4.

[18] Ibid., p. 4.

[19] McLaren, P. & Farahmandpur, R. (2001). Teaching Against Globalization and the New Imperialism: Toward a Revolutionary Pedagogy, *Journal of Teacher Education* 52(2)., pp. 36-150; and Welch, A. & Mok, K-H. (Eds.)(2003). Globalization, Structural Adjustment and Educational Reform, in *Globalisation and educational restructuring in the Asia Pacific region*, London: Palgrave Macmillan.

[20] See inter alia, Wilson, M., Qayyam, A., & Boshier, R. (1998). World Wide America: Manufacturing Web Information, *Distance Education* 19(1), p. 10941; Crystal, D. (1997). *English as a Global Language*. Cambridge University Press; and in relation to internationalization. Yang, R. (2002), *Third Delight: The Internationalization of Higher Education in China.* London: Routledge, pp. 156-162.

described as an 'educational revolution', whereby higher education, and some school level education is increasingly being provided in that language. Just as Monbusho has requested a 6.7% increase in its budget for 2003, much of which is to be devoted to improving the level of English teaching,[21] so Malaysia's Prime Minister Dr. Mahatir, for example, recently unleashed something of a controversy by decreeing that primary maths and science will now be taught in English, precisely so that 'Malaysian university students would soon be at the cutting edge, when competing against counterparts from the West."[22] While the rationale for Dr. Mahatir's decision was outlined in terms clearly redolent of global economic competition —

> "In order to (compete) effectively, we have to master English, which is the current international and learning language. If mother tongue is used for sciences and mathematics, then those who do not speak the language may not be able to go to some universities. (Moreover), we can't keep translating books. It is just not possible to translate journals which come by the thousands every month."[23]

— the storm unleashed by the proposal, compelled the Prime Minister to defend the reform in terms more reflective of arguments about cultural globalisation:

> "It is not intended to undermine the culture or the identity of the different communities in Malaysia. It is simply because we have to acknowledge that English is the language of learning today. In the past it was Arabic or even Latin, now it is English."[24]

In a country of some 24 million, where 60% are ethnic Malays, 27% Chinese, 9% of Indian extraction, and the rest a mixture, the Prime Minister is well aware of the potential for discord and resentment of his new proposal. Perhaps the strongest resistance comes from the Chinese community, whose students (taught in Chinese at primary school) consistently outperform their ethnic Malay peers, including in higher education. They fear dilution of their community's cultural identity, and weaker standards. The proposal is also likely to cause other rifts, however, for example among rural dwellers and the poorer classes: "its OK for the urban class, but for the many people in the villages it will be chaos."[25]

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[21] The Ministry of Education, Culture, Sport, Science and Technology (MEXT), formerly Monbusho, has recently announced it wishes to increase eight-fold the amount spent on English language teaching, with extra funds being used to provide intensive language training to all 60,000 English teachers at Japan's junior high and high schools. The number of specialist Super English Language High Schools would be increased from 16 to 58. At the same time, Madagascar has announced it is to introduce English language teaching into its primary schools, while the new University of Central Asia, in Khorog in Tadjikhistan, will employ English as the language of instruction.

[22] English in Schools Divides Malaysia', *Guardian Weekly*, (TEFL Supplement), September 26-October 2, 2002, p. 1. This problem is not limited to the SE Asian region, as the Japanese example reveals. Equally, the establishment of the Free Trade Area of the Americas (FTAA) has provoked concerns by French-speaking Canadians in Quebec, that their language may be overwhelmed, in a context where only 2% of the continent speak that language, and where English is becoming the dominant commercial and educational language.

[23] Ibid., p. 1.

[24] Ibid., p. 1. This does not explain the policy reversal, however: Malay only replaced English as the language of instruction in 1969.

[25] Wan Azizah Wan Ismail Leader of the Opposition Keadilan (Justice) Party, and wife of imprisoned ex Deputy Prime Minister Anwar Ibrahim. Ibid. p. 1.

Sklair's final model, global capitalism, "locates the dominant global forces in the structures of an ever-more globalizing capitalism" in which, for example, almost half the world's one hundred largest economies are companies, rather than states.[26] Capitalism is seen as both a social and economic system, which thus explains, for example, the de-industrialization of formerly key regions of capitalism, the increasingly crisis-prone trajectory of many modern economies since the 1970s, and the development of both transnational corporations (TNC), as well as the rise of a transnational capitalist class (TCC) which, it is argued, in effect acts as a global ruling class.[27]

The danger of marginalising the nation-state, and undervaluing the strategic choices it can exercise in the face of global capitalism must be acknowledged here. Nonetheless, if the post war Keynesian settlement represented, in many parts of the world, one of the more systematic attempts at civilizing national capital, this model explains attempts to contest or at least civilize, global capital, attempts in which education, too, can play a role, as is argued below.

If such a transnational ruling class exists, it embraces not merely senior executives of major trans-national enterprises, but also bureaucrats, media owners, and crucially, politicians. Increasingly, many of these leaders trumpet the same message regarding the inevitability of further economic globalization: that, in the face of declining civic participation and community, signs of increasing mistrust and alienation among the citizenry,[28] fueled by active and increasing gaps between the 'haves' and 'have nots' in society, nonetheless, 'There Is No Alternative' (TINA), or as the Australian Prime Minister put it recently, "In a globalized economy you can't turn your back on change and reform. It's going to happen anyway."[29]

The implications of global capitalism for intensification of work, including in universities, are an important dimension in this account, as is the 'Business of Borderless Education.'[30] It is also potentially a powerful explanation of the rise in Australian 'offshore' enrolments from the five countries analyzed, given that it is significantly cheaper to study at home, (thereby saving the

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[26] See Sklair, (1998). Globalization… (n. 6 above), p. 338. For a list of economic entities, see, inter alia, Latham, M. (1998). *Civilizing Global Capital: New Thinking for Australian Labour,* Sydney: Allen and Unwin. p. 11.

[27] Dahrendorf, R. (2000). Die globale Klasse und die neue Ungleichheit, *Merkur* 11., 1057-1068; Sklair, L. (2001) *The Transnational Capitalist Class,* London: Blackwell Publishers.; and Currie, J. (2004). Globalization's Impact on the Professoriate in Anglo American Universities, in *The Professoriate: Profile of a Profession*, (Ed.) Welch, A., Amsterdam: Kluwer.

[28] See inter alia, Putnam, R. (1993). *Making Democracy Work: Civic Traditions in Modern Italy,* Princeton: Princeton University Press.; Putnam, R. (1995). Bowling Alone: America's Declining Social Capital, *Journal of Democracy* 6(1), 65-78; R. Putnam, The Strange Disappearance of Civic America, *The American Prospect* 24: 34-38; Cronin, C. (2001). Netday in the United States and Australia: An Examination of Corporate and Community Involvement in Education, Ph.D. *University of Sydney.*; and Welch, A. (2004). Internationalisation, Globalisation and Higher Education Reforms," (in Korean) in *Moonhwa Chayong-kwa Kyoyook-eui Geonyi: 21 seki Kyoyook Injuck Jawon Kaebal-eul Wehan Noneui* [Cultural Borrowing, Educational Transfer: of education and human resource development for the twenty first century], (Eds.) Kim, T. & Cowen, R. trans. Kim, T., Seoul: Mooneum-sa.

[29] Truth Cure for Hansonitis, *The Australian*, 24-25 February 2001.

[30] Cunningham, S. et al. (2000). *The Business of Borderless Education*. DETYA, Canberra.

multiplier effect of having to also pay for accommodation, and living expenses, in the host country).[31] 'Offshore enrolments' (where the student remains in their own country, often reliant at least in part upon English-language materials delivered by the internet, while undertaking their studies at an Australian university), is now the swiftest growing segment of overall international enrolments in the sector. This may still be an issue for several of the ASEAN Five in the aftermath of the regional currency crisis. Certainly, it provoked countries throughout the region to repatriate substantial numbers of their students who were enrolled abroad, in the late 1990s.[32]

A striking example is found within the Australian higher education system which, as is seen below in Table 7, has been very successful in attracting international fee-paying students from the region over the past decade and a half, including all of the five countries considered here. The Australian case (particularly relevant here, since it draws its international students overwhelmingly from within the region), is compared in Table 10 with enrolments growth in the two largest recipient countries of students from the Asian region, the USA and the UK. The swift rise of offshore enrolments in Australian universities,[33] forms a distinctive element in the patterns of enrolment among several of the ASEAN Five. This is most notable for Malaysia, where almost 8,000 offshore enrolments are recorded, almost 80% of the number of conventional enrolments. For none of the other countries in the ASEAN Five, was the proportion much above 10% of the onshore enrolment, however, although this could change. Individual country chapters provide some specific examples of this trend.

Table 7 Growth in International Student Enrolments, universities in Australia, UK, & USA., 1980-1999

Year	AUSTRALIA	% Growth	U.S.A.	% Growth	U.K.	% Growth
1980	8,777	-	311,822	-	56,003	-
1985	13,047	48.6	342,113	9.7	53,694	-4.3
1990	47,065	260.7	386,851	13.1	77,800	44.8
1994	69,819	48.3	449,749	16.2	197,188	153.4
1999	84,304	20.7	490,933	9.2	213,000	8.0

Source: Welch, *Going Global* (2002)

Further evidence of economic globalization in higher education, is that of the introduction of fees into public universities. While during the 1950s and 1960s,[34] in the aftermath of war, and under the influence of the United Nations Covenant on Economic, Social and Cultural Rights of 1966, (which pressed for the progressive extension of free higher education), higher education had been free in a number of countries, the last decade or two of the twentieth century saw the gradual corrosion of that ideal. World Bank policy papers increasingly pressed for a greater contribution from students and

[31] Overseas Student Statistics assume that for every dollar spent in fees, that at least one extra dollar is generated in goods and services. Using this ratio, they calculate that some A$1.8 billion was generated to Australian universities in fees, while almost the same was injected into the Australian economy for associated goods and services. *Overseas Student Statistics*, p. 12.

[32] Varghese, N. (2001). Introduction, *Impact of the Economic Crisis on Higher Education in East Asia. Country Experiences*. Paris: IIEP, p. 20.

[33] In the year 2000, some 35,000 offshore enrolments were recorded, as compared with a little over 72,000 onshore. See Overseas Student Statistics, Table 6.

[34] And in places such as Australia, in the 1970s.

their families, under a more 'user pays' philosophy. It also argued that, for developing countries, rates of return were better on primary education.[35] By the year 2000, the advice was even more unabashed:

> "Private financing is attractive because it reduces the burden on government budgets, and helps ensure that the costs of higher education are borne by those to whom the benefits accrue."[36]

The impact of economic globalization is lastly seen in the recent trend towards institutions diversifying their income sources, via strategic alliances with businesses, or via establishing their own enterprises. This need has become more urgent, as the proportion of university's budgets deriving from the state has declined significantly, over the past decade or so, including in several of the ASEAN states, as also among developed nations. It has provoked somewhat different outcomes in each camp, however. In significant parts of the 'developed' world, attracting fee-paying international students, mostly from Asia, has been a principal response, as indicated above. In the five countries under review, this is not (yet) possible, although efforts are being made. The principal recourse for HEIs in the five countries reviewed, are two-fold. The first lies in the generation of income via strategic research with industries (for the more established, or elite institutions), and/or the development of small enterprises. While institutions in urban locations generally are more able to take advantage of such opportunities, even rural institutions in Viet Nam often generate revenues by raising poultry, producing vegetables, managing restaurants, and tailoring clothes, while even modest institutions in urban settings may have a small brewery, for example. Such activities are a double-edged sword, however: on the one hand deflecting staff from their primary academic mission; on the other, at least allowing the institutions to survive in harsh economic climates.

The other principal recourse, adopted by numerous public HEIs in several of the ASEAN Five countries has been to develop 'extension courses'. Reports from several countries now indicate that numbers of public HEIs are exploiting demand for these less demanding undergraduate 'extension' courses, to expand fee-paying programmes — for which success at the very competitive public university entrance examinations is not required — at the expense of regular courses. Certainly, these undergraduate 'extension courses' do attract significant numbers of new students — but at the cost of quality. The courses not merely require lower entry standards, but offer much the same qualification with less demanding academic standards. This option may well appeal to those students with enough money, but does little to allay concerns about quality.

Contradictions of Globalization

Interesting paradoxes are evident in the economic globalization agenda. Perhaps the first is that,

[35] See World Bank (1995). *Priorities and strategies for education: a World Bank review,* Washington DC: The World Bank, p. 56.
[36] World Bank. (2000). *Higher Education in Developing Countries…,* p. 56.

although governments increasingly press ahead with a globalizing agenda based on extending the structural adjustment throughout society, they still largely go to the polls on domestic agenda items. The articles of international trading charters (NAFTA/FTAA, APEC) are almost never put to voters at national level, who hence often feel alienated from such agreements, over which they have had no say, and which are often presented by governments in the form of 'TINA'. This alienation is only increased when subsequent structural adjustments are demanded: "Once a country buys into a global economy, a broad set of decisions is removed from national debate."[37]

The second is that, although governments support the global movement of astonishing amounts of capital, they are moving to inhibit, if not prevent, the mobility of labour, by shoring up restrictive immigration legislation, that denies entry to refugees and 'asylum seekers', while at the same time 'cherry-picking' skilled migrants.

In the new millennium, an era in which education is treated increasingly as an engine of economic activity and international competitiveness, such reforms almost always involve educational adjustments — especially in developing countries such as the ASEAN Five, where structural adjustment loans from agencies such as the Asian Development Bank, or the World Bank, or IMF, are always accompanied by, and often contingent upon, 'conditionalities'. (Moreover, the influence of these agencies is actually greater than is suggested by the actual size of the loans they make available, since, although now private development finance now outstrips that from public sources, non-agency sources of finance, and 'donors' also employ these same, or very similar, criteria).

In education, these conditions cohere around a key set of reforms that are universal, and admit of no variation. Thus countries such as Viet Nam, still commited to the socialist path, is also subjected to this same "Washington Consensus" agenda: de-regulation, reduced public sector provision, (including privatisation, in education), increased devolution to the local or provincial level, and the extension of user-pays principles into education funding.[38]

This is despite the growing sense that the IMF's involvement in several recent financial crises, most recently in Latin America, and prior to that in Asia in the late 1990s in fact exacerbated the problem, (including in education), and their current admission that this strong medicine is worsening the turmoil. In the case of Indonesia, for example, it has been estimated that the number of people living under the poverty line almost doubled, from 22 million in 1997 to 40 million in 1998, which meant that, among other things, "people can no longer afford to send their children to elementary and junior high schools."[39] Even the IMF's boss now agrees: It "suggests we still have a lot to learn."[40]

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[37] McGinn, N. (1996). Education, Democratization, and Globalization: A Challenge for Comparative Education, *Comparative Education Review,* 40(4), pp. 341-357, p. 350.

[38] More than other countries, however, Viet Nam has a record of insisting on amendments to, or amelioration of, such monolithic agendas.

[39] Dusin, K. (2001). Economic Crisis Keeps Children out of School in Indonesia, *Inter Press Service* (April 4th. 2001) http://www.unesco.org/education/efa/know_sharing/grassroots_stories/indonesia.shtml

[40] Köhler, H. (2001). Doubts inside the Barricades, *The Economist*, September 28-October 4, 2001, p. 68.

Certainly regional economic effects compounded existing problems. For example, regional foreign direct investment (FDI) rose steeply – from 3% in 1980 to 8% in 1990, to 20% in 1994, before falling precipitously in 1997-98. It has continued to decline, in part at least because China's share of FDI has leapt in recent years.[41] According to the Asian Development Bank's (ADB) Asia Recovery Report, public debt doubled during the financial crisis, as did the proportion of foreign debt to GDP.[42] The severity of the economic reversal is seen in the Table 8, of GDP growth rates before and after the crisis.

Table 8 GDP Growth, Rates ASEAN Five Countries, 1996-99

Country	1996 Growth Rate %	1997 Growth Rate %	1998 Growth Rate %	1999 Growth Rate %
Indonesia	8.0	4.5	-13.7	0.2
Malaysia	8.6	7.5	-7.5	5.4
Philippines	5.8	5.2	-0.5	3.2
Thailand	5.5	8.4	-10.0	4.2
Viet Nam	9.3	8.2	3.5	4.2

Source: World Bank, *East Asia. Recovery and Beyond.* (2000) IMF 2001; *IMF Country Report No.01/59*, Table 3: Vietnam - Selected Economic Indicators, 1995-2001 (p.35).

There are signs of popular resentment at the introduction of such measures into educational reforms in Viet Nam, for example — particularly since the effects fall most heavily on the poor, and rural dwellers – although, as elsewhere, this resentment is, at times, difficult to disentangle from some popular disillusionment at both bureacratic inertia and mismanagement, and a certain degree of official corruption. In some countries, too, popular alienation has been increased by government actions which appear more supportive of global business interests, than the populace which elected them, and which result in the increasing bifurcation of society into winners and losers.

While each of the above accounts can be seen as having merit, different kinds of evidence are adduced for each. (It is also acknowledged that Sklair's four models are not totally discrete, but rather lay emphasis on different aspects of a complex phenomenon). Nonetheless, it is argued here that the account of globalization as the extension of global capitalism, has most to offer in terms of understanding contemporary reforms in higher education internationally,[43] and also has some potential to explain shifts in the balance between public and private provision in higher education. It may also have a good deal to offer in understanding some of the realities of internationalisation of higher education, in particular the growth of major consortia in higher education, (such as Universitas 21),

[41] See, *inter alia*, Welch, A. (2004). *The Dragon and the Tiger Cubs. Competitive and Collaborative Relations between China and ASEAN in the Higher Education Sector.* Sydney: Research Institute for Asia and the Pacific (RIAP), Tokyo: Ministry of Finance.

[42] Varghese, Overview, pp. 26-7.

[43] See Mok, K.-H. & Welch, A. (2003). Globalization, Structural Adjustment and Educational Reforms, Welch A. & Mok, K-H, Conclusion: Deep Development or Deep Division?, in *Globalisation, Educational restructuring in the Asia Pacific region*, (Eds.) Mok, K-H. & Welch, A., London: Palgrave Macmillan.; Currie, J. & Newsom, J. (Eds.), *Universities and Globalization* (London: Sage, 1998); Currie, J., Globalization's Impact on the Professoriate, (n.16 above); Slaughter, S. & Leslie, L. (1997). *Academic Capitalism: Politics, Policies and the Entrepreneurial University* (Baltimore: Johns Hopkins Press, 1997); Miyoshi, M., In Place of a Conclusion, in *The Cultures of Globalization*, (Eds.) Jameson, F. & Miyoshi, M., Durham: Duke University Press, pp. 371-384.

and their allegiance with media empires such as Newscorp.[44] The results are marketed most vigorously in the Asian region, with significant implications, inter alia, for domestic universities.

Reversing the Brain Drain?

Global flows are not just of finance, and of cultural icons, however. A major issue for developing nations, including the ASEAN Five analyzed here, is the ongoing loss of talent implied by the phenomenon known as 'brain drain.' Clearly, the cumulative expenses of providing perhaps 17 or more years of education at the finest institutions in the land,[45] including the most expensive level (tertiary education), only to see the best and brightest talents continue to water foreign fields, is but one part of the story.

Even according to economists' measures, however, higher education is often seen as a particularly desirable investment, and often with a high rate of return, especially in an era of increasing global competition for educated labour, coupled with increasingly mobile workforces. Increasingly, in an era of worldwide shortages of specific skills, it is the countries of Asia, including some of the five countries analysed in this report, that largely are responding to the international shortage of highly skilled labour. Many graduates of South East Asia's institutions of higher learning, armed with degrees in business, IT, Science and Engineering, from either home or abroad, are filling posts in firms, universities and research laboratories in the advanced economies such as USA, Europe, Japan and Australia.

That this is not always in the interests of the developing countries that largely fill the need for highly educated labour, has been pointed out more than once.[46] Indeed, it is often to the detriment of their own domestic economy, when the high costs of training engineers, IT specialists and science graduates often ultimately subsidizes the economies of major developed economies, who are far more financially able to produce their own graduates. India and China, while perhaps the largest and most spectacular examples,[47] are not the only developing countries to lament the loss of skilled graduates, as leaders of the Philippines, Viet Nam, Malaysia and other regional economies can attest. Nonetheless, as will be suggested below, the picture is considerably more complicated than a simple loss of graduates might suggest.

Both push and pull factors operate in relation to the flow of research and academic labour, and it is the deliberate policies of developed nations that often provide one of the strongest strong pull factors.

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[44] See McLaren, P. & Farahmandpur, R. (2002). Teaching Against Globalization and the New Imperialism: Toward a Revolutionary Pedagogy; and Welch, A. (2002). Going Global? Internationalising Australian Universities at a Time of Global Crisis, *Comparative Education Review*, 46(4).

[45] Research from the USA on new migrants shows that more than double the proportion of US born citizens (21% compared to 8%) possess at least 17 years of education, thereby implying some post-graduate study. (The *Economist.* 2002. p. 24).

[46] *The Economist*. Outward Bound, (28th September – 4th. October, 2002), pp. 24-26

[47] Ibid., p. 25. For Indian international students studying in the USA, over 80% have non-definite plans to stay in the USA, while 60% have definite job offers. The equivalent figures for Chinese students at US universities, is 80% and 58%.

When one examines the reasons behind such flows, for example, the fact that several developed nations have revised their entry criteria over the past decade or more, to deliberately give added weight to specific high level qualifications (the so-called 'skills' element), is clearly pertinent. Australia and Canada pioneered points schemes, which richly reward possession of academic qualifications, the USA has increased the number of temporary visas available for skilled workers, and Germany has recently implemented its own version of the 'Green Card' system, to encourage inflow of specialist skills.[48] In the face of a worldwide shortage of skilled IT workers, Australia even granted foreign students with ICT and other high demand qualifications the capacity to convert to skilled migrant status, in July 2001, something sure to pull yet more skilled labour from the five countries in the ASEAN Report, all of whom are Australia's neighbours. The revision of the weightings in its migration scheme, has effectively given international students, including from ASEAN Five countries such as Malaysia and Thailand, a greater chance of remaining in Australia, after completion of their studies, indeed completing international students now comprise about half of all skilled migration applications:

> "The decision to 'select for success' is profoundly reshaping the migration program, favouring the selection of Commonwealth-Asian and other students perceived to represent immediately employable human capital."[49]

Adding to the difficulties posed for developing countries, is that it is usually the 'cream of the crop' who are most likely to take advantage of such schemes – those from the best national medical and scientific research institutions and universities. In countries such as Viet Nam, where state universities can only acccommodate at most 10% of qualified applicants, this is a particularly cruel effect, which occupies the thoughts of many in the Ministry of Education and Training (MOET), among others. Some efforts have been made to mobilise the Vietnamese diaspora, to more effectively support the national education and training, and research and development (R and D) effort, for example through the UNDP sponsored *Transfer of Knowledge through Expatriate Nationals* (TOKTEN) programme. Malaysia, Thailand and others of the ASEAN Five, have parallel programmes.

> "Does it matter if clever people leave in such numbers? For the world as a whole, it makes sense for the cleverest to exercise their skills where they earn the greatest reward. But what holds for the world may not hold for individual countries that lose large swathes of their educated middle class. … And the exodus of scientists and academics wreaks particular havoc, especially if it happens quickly. Moreover, … scientific research projects that take time to conduct fall apart when people leave, because… there

[48] The fact that Germany only filled half or so of its quota, can be seen as further evidence of the dominance of English language environments. China, too, has announced it will introduce a 'Green Card' scheme in 2004.
[49] *The Australian*. Migration a Useful Carrot, October 9th. 2002.

is no inherited memory."[50]

There is, however, some evidence to leaven these heavy findings, including some successful regional examples of schemes to gain some control over the mobility of academic and scientific labour. This has been precisely via efforts to reverse the brain drain to overseas systems of higher education, especially the USA.[51]

> "Intensive recruiting programmes search out older professionals and scholars and offer them salaries competitive with overseas incomes, better working conditions, and help with housing and children's schooling.'[52]

Evidence suggests that efforts by more developed East Asian neighbouring economies such as Korea and Taiwan have been particularly successful in this regard, with the percentage of Korean engineers in the USA planning to stay, for example, falling from 61.0% in 1980 to 28.7% in 1990, and in the natural sciences from 56.5% to 41.3% over the same period:[53]

> *'In the 1960s, just 16% of Korean scientists and engineers with doctorates from the United States returned to Korea. In the 1980s, that share jumped about two thirds. A large part of the difference was due to Korea's improved economic prospects'*[54]

Such schemes, however, are not stand-alone, but need to be part of wider efforts to change the local climate, to make it a more attractive place in which to work, for the diaspora. In the Korean case, for example, of relevance was a substantial rise in research and development (R & D) expenditures (from 0.4% of GDP, or US$378m in 1975, to 1.9% of GDP, or some US$5,045m in 1990,[55] accompanied by the development of new research institutes, and 'science cities'. These were complemented by short-term appointments of Visiting Professors (such as in the so-called 'Brain Pool' programme), the upgrading of linkages with foreign institutions,[56] and other enhanced efforts to mobilise the diaspora.

Such successes may offer valuable lessons to ASEAN countries that continue to haemmorhage talent to the developed world, especially English-language settings. Such efforts, which have all the more potential in an era characterised by vastly improved information and communications technology, especially the internet, mean that significant benefits can be obtained, without always needing to physically relocate individuals back to the homeland — at least permanently — and without necessarily incurring the consequent costs associated with such a move. All in all, as the UNDP

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[50] *Economist.* (2002). Outward Bound, p. 25. Moreover, the loss of the tax base of this highly educated and comparatively well remunerated cohort is not insignificant. And some research seems to show that educated labour is less likely to send remittances home, compared with their less skilled peers. p. 25.

[51] Choi, H-W. (1999). Shifting Resources in South Korean Science and Technology, *Comparative Education Review* 43(2), pp. 212-232, see also Choi, H-W. (1995). *An International Scientific Community: Asian Scholars in the United States*. New York, Praeger.

[52] UNDP *Human Development Report 2001*. Making New Technologies Work for Human Development, NY: UNDP/Oxford University Press, p. 92.

[53] Choi, H-W., Shifting Resources..., p. 221.

[54] UNDP *Human Development Report 2001*, p. 92.

[55] Choi, H-W., Shifting Resources…, p. 223.

[56] Koo, H-S. (2001). South Korea's Re-invention of Higher Education: A Critical Analysis of Brain Korea 21, *11th World Congress of Comparative Education*, Chung Buk, Korea, p. 3.

reports notes, countries with a substantial diaspora, do 'have a potential resource.'[57] Sometimes such virtual neural networks even undertake research projects, and are more often used as an effective knowledge conduit between home and expatriate researchers.

The success with which this resource of overseas skilled labour can be deployed in the national interest, depends ultimately on a number of factors, of course, including the degree of political stability, lifestyle (including environmental) issues, and relative levels of economic development. In this latter sense, perhaps Viet Nam may well find it more difficult to attract its expatriates to return, say, than Malaysia, — ".. in order to compete for the brightest, poor countries need to pay them a much larger multiple of the average wage than would be true in the rich world"[58] — both on the basis that pay differentials between domestic and overseas contexts remain larger, but also because of the perception by some Vietnamese of an indigenous "..culture where advancement depends on political affiliation, rather than merit.."[59] There is evidence that some IT specialists, among others, left the Philippines because of the cronyism and corruption associated with the Estrada era. Even here, however, China's recent success in attracting back some of its brightest and best, at least to its leading universities, can perhaps serve as a model,[60] and it is not always the case that developing countries must match the high salaries of the USA or Japan. Greater freedom in the work environment, better prospects for promotion domestically, and the promise of regular foreign training, have at times induced specialists to return home to the Philippines or Thailand.[61]

It may be that, in the aftermath of the regional economic crisis of the late 1990s, alternatives to physical re-location may have become more attractive, and more common. Certainly, regional evidence suggests an increasing tendency of some highly skilled expatriates to travel back and forth, building important bridges in the process. And even those who remain abroad, often cooperate with local scholars in their field, thereby contributing to enhanced domestic skill levels. This greater flexibility may also have helped relieve the commonly reported problems of peer resentment, (when specialist expatriate returnees are offered packages which include some mix of much higher pay, housing benefits, and help with schooling for the children), by colleagues who "resent the implication that their degree is worth less".[62] More flexible forms of relationship are also perhaps less likely to provoke resistance to change at institutional level, another commonly reported problem reported by returnees, who feel that their new knowledge and ideas are often not appreciated. Often enough, their ideas for change and reform, not merely scientific, but also institutional, are often simply rejected by

[57] *UNDP Human Development Report 2001*, p. 93.
[58] *The Economist.* (2002). p. 26.
[59] *The Economist.* (2002). p. 26.
[60] Elite, top tier Chinese universities such as Peking, Hua, Q. & Fudan, all have implemented such incentive schemes in recent years, often embracing not merely the benefits listed above, but in the case of natural scientists, significant research facilities.
[61] *Asiaweek*, IT Crunch Time, May 18, 2001.
[62] *The Economist.* (2002). p. 26.

resentful peers, or are resisted as being discordant with local traditions. And it is clear that the skills of the diaspora continue to be a vital, if at times under-exploited, resource for national development.[63]

Conclusion: Present and Future Challenges

If the only constant ischange, one of the key issues that is likely to persist over the next few years, is finding a new balance between public and private provision in S.E. Asian higher education, while maintaining and perhaps enhancing the quality and integrity of national systems. It will not be simple.

Even apart from the emerging issues of the trade in services such as education, that are a part of the Global Agreement on Trade in Services (GATS)[64], there are further ongoing challenges of economic and cultural globalisation.[65] It is unlikely that the pressure from external agencies such as the World Bank and the Asian Development Bank for more structural adjustments in education will abate, and hence the arguments for funds to be diverted from public HEIs, as well as to higher fees at state institutions will persist. Equally, while the precise implications of GATS are not yet fixed, one can predict that the intrusion of international players, via fee-based local outposts of foreign public universities (also seeking to shore up their bottom line),[66] and via the web, will only continue to develop, where there is a reasonable market. Given these twin pressures of privatisation/structural adjustment, as well as enhanced foreign competition, one can ask what are the implications for local public universities? Certainly, language and cultural issues will play a role in any outcomes, but it is possible to envisage a further stratification of existing higher education, whereby higher education for the elite is likely to be in English, either domestically, or abroad, while students with fewer financial resources attend local institutions, and study in the local language. A further factor in this emerging balance will be likely further growth in 'offshore' enrolments at foreign universities, which could form something of a mid-point in the previous polarisation of opportunity.

If private higher education is to grow, as it is currently doing both regionally and worldwide, the question of the impact of such a new balance on equality must be addressed:

> ".. there is another important downside to private financing – it may preclude the enrolment of deserving students who do not have the ability to pay, and often evokes resentment among students who do. Means-tested scholarship and loan programs are one possible approach to addressing this problem, but they have proven very difficult to

[63] For example, in Taiwan, of the 312 companies in the Hsinchu industrial park, near Taipei, 113 were started by US educated engineers, with experience in Silicon Valley. Indeed some 70 of these companies have offices in Silicon Valley in order to pick up ideas (*Economist* 2002, p. 26).

[64] Knight, J. (2002). Trade Creep: Implications of GATS for Higher Education Policy', International Higher Education, 28, Summer 2002, p. 5-6; and Knight, J. (2002). The Impact of GATS and Trade Liberalization on Higher Education, *Globalisation and the Market in Higher Education. Quality, Accreditation and Qualifications*. UNESCO Paris.

[65] See Welch, A. (2001) Going Global?...; and McLaren, P. & Farahmandpur, R. (2001). Teaching Against Globalization and the New Imperialism.

[66] Welch, A. (2001) Going Global?...

> administer due to the difficulty of assessing ability to pay, sometimes exorbitant administrative costs, corruption and high rates of default."[67]

At the very least, there is a heightened need for regulation, and Quality Assurance (QA), in such a new context where there is likely to be a growing number of local and international private providers, some of whom are worthy, and others little more than shopfronts. Already, the Rector of one of the larger and more longstanding 'People's" universities in Viet Nam is currently under police investigation, allegedly for both exceeding his enrolment quota by a huge margin, and for taking bribes to allow students with poor marks to enrol. In Indonesia, and in other ASEAN Five countries, examples of corrupt practices and cheating exist. Such stratagems were driven by the need — or greed — for funding.

Hence, despite the undoubted need for careful regulation of the higher education sector, and the importance of promoting quality, it will not be easily or simply accomplished:

> ".. in most developing countries, no clearly identified set of individuals or institutions is working to ensure that all the goals of the country's higher education sector will be fulfilled. A coherent and rational approach toward management of the entire higher education sector is therefore needed. .. Policymakers must decide on the extent to which they will guide the development of their country's higher education sector, and the extent to which they think that market forces will lead to the establishment of and operation of a viable system. Overall, the Task Force believes that government guidance is an essential part of any solution."[68]

The case of the Philippines where, as was seen above, more than 80% of all HEIs are private, illustrates the difficulty clearly. In a political system, where every legislator sees it as part of their legacy to create a HEI that will be named after him/her, the proliferation of small and often very poor quality institutions is a longstanding problem. Faced with this difficulty, efforts were made during the 1980s to introduce a national system that regulated the establishment and operations of private HEIs. The resultant opposition by the private sector, many of whom argued that the regulations threatened the financial viability of their institutions, forced the abandonment of the scheme, and a reversion to a laissez faire pattern occurred. It is for that reason that the vast majority of Philippines HEIs are regarded by both domestic experts and external accreditation agencies as well short of international degree-level standard.

Finally, given the swiftness and the extent of the transformation, which is seeing public HEIs introducing fees, at times quite high, and employing all available strategies – and stratagems – to diversify their funding base, are the boundaries between public and private likely to be as clear in the future as in the past? Ore are we likely to see a further blurring of borders in higher education?

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[67] *Higher Education in Developing Countries…,* p. 57.
[68] *Higher Education in Developing Countries…,* p. 58.

> Private higher education is one of the most dynamic and fastest-growing segments of post-secondary education at the turn of the twenty-first century. A combination of unprecedented demand for access to higher education and the inability or unwillingness of governments to provide the necessary support has brought private higher education to the forefront. Private institutions, with a long history in many countries, are expanding in scope and number and are increasingly important in parts of the world that have relied on the public sector. A related phenomenon is the 'privatization' of public institutions in some countries. With tuition and other charges rising, public and private institutions look more and more similar."[69]

What has been argued above is that building integrated national systems of higher education, and associated processes of quality assurance, are each problematic in the S.E. Asian region. The reasons have to do with a range of problems found in several of the ASEAN Five. Profound economic problems are one – Indonesia, for example, faces a debt burden of mountainous proportions, that imperils its ambitious goals for educational development. Viet Nam remains poor, despite its vigorous growth. In general terms, this means that the private sector is likely to continue to grow, while existing public sector HEIs are forced to become more and more entrepreneurial, in their efforts to find new resources. To the extent that they are successful, this puts additional pressure on private competitors. Overall, there are profound equity problems, especially for the poor, for whom public institutions with their relatively lower fees, were the only resort. As public institutions too, raise their fees, this imposes the greatest burden on the already marginalized. Real limits exist too on regional state capacity and good governance, with persistent problems with corruption and cronyism, in more than one of the ASEAN Five. Significant evidence exists of difficulties in regulating the system, especially (but not only) the burgeoning private sector, which embraces HEIs of widely differing quality. Given this existing levels of difficulty, underlined in a recent detailed study of the five systems of higher education,[70] one can only speculate how much further the new world of borderless education, and degree mills will strain capacity.

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[69] Altbach, P. (1999). Private Higher Education: Themes and Variations in Comparative Perspective*, Private Prometheus. Private Higher Education and Development in the 21st Century*. Greenwood Publishing, p. 1.

[70] Tipton, F., Jarvis, D., & Welch, A.*,* (2003). *Re-defining the Borders Between Public and Private in South East Asia*. Research Institute for Asia and the Pacific (RIAP) University of Sydney, Ministry of Finance, Tokyo.

Outline of Seminar

COE International Seminar/Eight-Nation Conference
Enhancing Quality and Building the 21st Century Higher Education System

Hosted by: Research Institute for Higher Education, Hiroshima University, Japan
Date: February 3-5, 2004
Venue: Hiroshima Garden Palace, Hiroshima City

Program

Tuesday, February 3, 2004

Session 1

Chair: Shinichi YAMAMOTO, Director, Research Center for University Studies, University of Tsukuba, Japan
Christoph METZGER, Institute for Teaching Education, Director, University of St. Gallen, Switzerland

9:00-9:30 **Opening Ceremony**
Orientation
Akira ARIMOTO, Director & Professor, R.I.H.E., Hiroshima University, Japan
Opening Remarks
Taizo MUTA, President, Hiroshima University, Japan

9:30-10: 30 **Keynote Presentation 1**
Perspectives on Japanese Higher Education
Tadao KIYONARI, President, Hosei University, Japan
10:30-10:45 Coffee break

10:45-11:45 **Keynote Presentation 2**
Leading European Research Universities in an Increasingly Competitive Environment
Luc E. WEBER, Former President, Professor, University of Geneva, Switzerland
11:45-12:00 Discussion
12:00-13:30 Lunch

Session 2

Chair: Anthony WELCH, University of Sydney, Professor, Australia
Visiting Professor, R.I.H.E., Hiroshima University, Japan
Sing Kong LEE, Dean, Graduate Programs and Research, National Institute of Education, Singapore

13:30-14:00 **Presentation 1**
Faculty Development in Japan —as a Result of 2003 Investigation
Akira ARIMOTO, Director & Professor, R.I.H.E., Hiroshima University, Japan
Tsukasa DAIZEN, Professor, R.I.H.E., Hiroshima University, Japan
14:00-14:15 Q & A

14:15-14:45 **Presentation 2**
The Complex Case of Academic Leadership in a Research University: the Role of Administration, Faculty and Students
Peter CONN, Professor, University of Pennsylvania, USA
14:45-15:00 Q & A
15:00-15:15 Coffee break

15:15-15:45 **Presentation 3**
University Reforms and Faculty Appointment Policy in Japan
Atsunori YAMANOI, Professor, R.I.H.E., Hiroshima University, Japan
15:45-16:00 Q & A

16:00-16:30 **Presentation 4**
Governance Reforms in Japanese Higher Education System
Takashi HATA, Professor, R.I.H.E., Hiroshima University, Japan
Futao HUANG, Associate Professor, R.I.H.E., Hiroshima University, Japan
16:30-16:45 Q & A
16:45-17:30 Discussion
18:00-20:00 Reception: Nishiki, Hiroshima Garden Palace

Wednesday, February 4, 2004

Session 3

Chair: Aya YOSHIDA, Professor, National Institute of Multimedia Education, Japan
Chong Jae LEE, President, Korean Education Development Institute, Korea

9:00-9:30 **Presentation 5**
The Shift of University Paradigm and Reform of the Korean University Systems
Hyun-Chong LEE, President, Korean Comparative Education Society, Korea
9:30-9: 45 Q & A

9:45-10:15 **Presentation 6**
Transition from a Diversity under the Bureaucratic System to an Autonomous University: Reflections on Concepts and Experience of King Mongkut's University of Technology Thonburi
Krissanapong KIRTIKARA, Professor, King Mongkut's University of Technology, Thailand
10:15-10:30 Q & A
10:30-10:45 Coffee break

10:45:-11:15 **Presentation 7**
Evolution of Administrative Structure of China's Universities between 1980 and 2001
Fengqiao YAN, Associate Professor, Peking University, China
11:15-11:30 Q & A
11:30-12:00 Discussion
12:00-13:30 Lunch

Session 4

Chair: Hidenori FUJITA, Professor, International Christian University, Japan
Kin-yuen IP, Lecturer, Department of Educational Policy and Administration, Hong Kong, China

13:30-14:00 **Presentation 8**
The Development (and the Effects) of the Audit Culture and Other Recent Reforms in UK Universities
Roger GOODMAN, Professor, Oxford University, UK, Visiting Professor, Osaka Gakuin University, Japan

14:00-14:15 Q & A

14:15-14:45 **Presentation 9**
Quality Assurance of Higher Education in Japan
Sanae MAEDA, Associate Director, Division of Accreditation & Higher Education Studies, Japan University Accreditation Association, Japan

14:45-15:00 Q & A

15:00-15:15 Coffee break

15:15-15:45 **Presentation 10**
Crossroads: Ensuring Quality in South-East Asian Higher Education
Anthony WELCH, Professor, University of Sydney, Australia, Visiting Professor, R.I.H.E., Hiroshima University, Japan

15:45-16:00 Q & A

16:00-16:45 Discussion

16:45-17:15 **Concluding Remarks**
Akira ARIMOTO, Director & Professor, R.I.H.E., Hiroshima University, Japan
Futao HUANG, Associate Professor, R.I.H.E., Hiroshima University, Japan

Thursday, February 5, 2004 (Only for guests from overseas)

9:00-11:00 Visit to Ushita Municipal Elementary School, Hiroshima City

12:00-13:30 Lunch

13:30- 17:00 Visit to Miyajima or the Peace Memorial Park
(optional, but bus service will be provided)

18:00-20:00 Farewell Dinner

List of Participants

(as of February, 2004)

Panelists

Tadao Kiyonari, President, Hosei University, Japan
Luc E. Weber, Former President, Professor, University of Geneva, Switzerland
Akira Arimoto, Director and Professor, R.I.H.E., Hiroshima University, Japan
Tsukasa Daizen, Professor, R.I.H.E., Hiroshima University, Japan
Peter Conn, Professor, University of Pennsylvania, USA
Atsunori Yamanoi, Professor, R.I.H.E., Hiroshima University, Japan
Takashi Hata, Professor, R.I.H.E., Hiroshima University, Japan
Futao Huang, Associate Professor, Professor, R.I.H.E., Hiroshima University, Japan
Hyun-Chong Lee, President, Korean Comparative Education Society, Korea
Krissanapong Kirtikara, Professor, King Momngkut's University of Technology, Thailand
Fengqiao Yan, Associate Professor, Peking University, China
Roger Goodman, Professor, Oxford University; UK; Visiting Professor, Osaka Gakuin University, Japan
Sanae Maeda, Associate Director, Division of Accreditation & Higher Education Studies, Japan University Accreditation Association, Japan
Anthony Welch, Professor, University of Sydney, Australia; Visiting Professor, R.I.H.E., Hiroshima University, Japan

Chairpersons

Shinichi Yamamoto, Director, Research Center for University Studies, University of Tsukuba, Japan
Christoph Metzger, Director, Institute for the Teaching of Economics, University of St. Gallen, Switzerland
Anthony Welch, Professor, University of Sydney, Australia; Visiting Professor, R.I.H.E., Hiroshima University, Japan
Sing Kong Lee, Dean, Graduate Programs and Research, National Institute of Education, Singapore
Aya Yoshida, Professor, National Institute of Multimedia Education, Japan
Chong Jae Lee, President, Korean Education Development Institute, Korea
Hidenori Fujita, Professor, International Christian University, Japan
Kin-yuen IP, Assistant Professor, Department of Educational Policy and Administration, Hong Kong, China

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Ryouichi Akaba, Professor, Gunma National College of Technology, Japan
Hisao Aboshi, Aboshi Kenkyusyo, Japan
Ian Nakamura, Assistant Director of English Program, Foreign Language Education Center, Okayama University, Japan
Jiro Ikehata, Emeritus Professor, Hiroshima University
Katsuyoshi Otsuka, Professor, Iwate Prefectural University, Japan
Tsuneo Kazawa, Professor, Hiroshima Institute of Technology, Japan
Masataka Kawai, University Newspaper Press, Hiroshima University
Hitoshi Kawaguchi, Professor, Matsuyama University, Japan
Kennichi Kanzaki, Associate Professor, Oakayama University, Japan
Fumi Kitagawa, Assistant Professor, Research and Development Center for Higher Education, Hitotsubashi University, Japan
Hitoshi Saito, Professor, Gunma National College of Technology, Japan
Takanori Sakamoto, Professor, Hiroshima Institute of Technology, Japan

Zhao Shi, Professor and Chinese Government Research Fellow, Faculty of Human Development, Kobe University, Japan
Takeshi Seo, Associate Director, President's Room, Hosei University, Japan
Katsuya Senba, Professor, Nishinippon Institute of Technology, Japan
Kaoru Tanida, Research Fellow, Institute for Integrated Communication Research and Development, Kwansei Gakuin University, Japan
Sumiko Tsuda, Professor, Research Institute for Faculty Development, Niigata University, Japan
Shinji Nakagawa, Associate Professor, Kwansei Gakuin University, Japan
Masayuki Nakamura, Researcher, The Promotion and Mutual Aid Corporation for Private Schools of Japan
Hirozo Niimi, Director, Student Affairs Division, Hijiyama University, Japan
Park Jae Ho, Professor, Yeungnam University, Korea
Yoshiki Hayashi, Professor, Musashi University, Japan
Masashi Fujimura, Professor, Niigata University, Japan
Jun Maiya, Professor, Kobe University Research Institute for Higher Education, Japan
Masahiro Matsuura, Professor, Hiroshima Jogakuin University, Japan
Yoshihito Yasuhara, Professor, Hiroshima University
Hiromichi Yamasaki, Professor, Hiroshima University
Satoshi Watanabe, Assistant Professor, Tsukuba University, Japan
Noel McGinn, Emeritus Professor, University of Pennsylvania, USA
Rebecca Maynard, Professor , University of Pennsylvania, USA
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Ikuo Kitagaki, Professor, R.I.H.E., Hiroshima University
Takashi Hata, Professor, R.I.H.E., Hiroshima University
Atsunori Yamanoi, Professor, R.I.H.E., Hiroshima University
Tsukasa Daizen, Professor, R.I.H.E., Hiroshima University
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