COE International Seminar

on

Mergers and Cooperation among Higher Education Institutions: Australia, Japan and Europe

Research Institute for Higher Education

Hiroshima University

COE Publication Series

Volume 7, March 2004

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

Contributers

Grant HARMAN

Emeritus Professor of Educational Management, University of New England, Australia

Research Fields

Higher education policy and management; Comparative higher education studies; Mergers in higher education; Quality assurance for higher education; University-industry research links; Technology transfer and research commercialization

Publications

1) Grant Harman, Michael Gallagher, Margaret Pearce and Ian Allen, *Education Reform: Quality Assurance/Program Evaluation in Higher Education in Thailand*, report for AusAID Project, Thailand Australia Capacity Building Facility, Department of Education, Training and Youth Affairs, Canberra, 2001, 135 pp.

2) Grant Harman and Piyushi Kotecha, *Exploring Institutional Mergers and Collaboration in Higher Education*, South African Universities Vice-Chancellors Association, Sunnyside, 2001, 92+iv.

3) Grant Harman, Academic Leaders or Corporate Managers: Deans and Heads in Australian Higher Education, 1977 to 1997, *Higher Education Management and Policy*, Vol. 14, No 2, pp. 53-70.

4) Grant Harman, Producing PhD Graduates in Australia for the Knowledge Economy, *Higher Education Research & Development*, Vol. 21, No 2, July 2002, pp. 179-190.

5) Grant Harman, Risks in University-Industry Research Links and the Implications for University Management, *Journal of Higher Education Policy and Management*, Vol. 24, No 1, 2002, pp. 37-51.

Kay HARMAN

Associate Professor, Centre for Higher Education Management and Policy, University of New England, Australia

Research Fields

Higher education and research policy; Academic culture and work; Researcher-industry links; Technology and knowledge transfer; Mergers in higher education; Research training

Publications

1) Grant Harman and Kay Harman, Institutional mergers in higher education: Lessons from international experience, *Tertiary Education and Management*, Vol.9 (1), January, Kluwer Academic Publishers, Dordrecht, pp.29-44, 2003.

2) Kay Harman, The Research Training Experiences of Doctoral Students Related to Australian Cooperative Research Centre, *Higher Education*, Vol.44 (3-4), September, Kluwer Academic Publishers, Dordrecht, pp.469-492, 2002.

3) Kay Harman, Merging Separate Campus Cultures into a Coherent Educational Community: Challenges for Higher Education Leaders, *Higher Education*, Vol.44 (1), pp.91-114, Kluwer Academic Publishers, Dordrecht, 2002.

4) Kay Harman, Priority Setting and Resource Allocation in Australian Biomedical Research: Muddling With Some Skill, *Prometheus*, Vol. 18, No.4, December, pp.373-389, 2000.

5) Lois Foster and Kay Harman, *Australian Education, A Sociological Perspective*, third edition, Prentice-Hall, Sydney, 1992, 415 pp + xii, ISBN 0 7248 0007 7, 1992.

Takashi HATA

Professor, Research Institute for Higher Education (RIHE), Hiroshima University, Japan

Research Fields

Higher education policy and management; History of Higher Education in Japan; Teacher Education System; University Reform

Publications

1) Takashi Hata, Science Engineering Education in Japanese Universities after World War, *A Social History of Science and Technology in Contemporary Japan,* Vol.1, Shigeru Nakayama (eds.), Trans Pacific　2001.

2) Takashi Hata, Research Funding in Occupied Japan, *A Social History of Science and Technology in Contemporary Japan,* Vol.1, Shigeru Nakayama (eds.), Trans Pacific　2001.

3) Takashi Hata, The Formation of Modern State and the University in Middle of Meiji Period, *Daigaku Ronshu,* RIHE, 1997.

4) Takashi Hata, The Privatization of Education and the Problem of public Education, *NIHON KYOIKU-SHAKAIGAKKAIKENKYU (The Journal of Educational Sociology),* Vol.50, 1993.

5) Takashi Hata, The Reformation of the Financial System of Imperial Universities, *NIHON NO KYOIKU-SHIGAKU (Research Bulletin of Japan Society for the Historical Studies of Education)*, Vol.26, 1983.

Richard H. JAMES

Associate Professor, Centre for the Study of Higher Education, The University of Melbourne, Australia

Research Fields

Higher education access and equity; Student experience of higher education; Transition to university; Quality assurance in higher education

Publications

1) Richard James, *Socioeconomic Background and Higher Education Participation: An analysis of school students' aspirations and expectations.* Canberra: Australian Government Publishing Service xi+67 pp. (2002)

2) Richard James, Students' changing expectations of higher education and the consequences of mismatches with reality, in Coaldrake, P. (ed.) *Responding to Student Expectations* OECD: Paris (2002)

3) Richard James, Participation disadvantage in Australian higher education: An analysis of some effects of geographical location and socioeconomic status, *Higher Education* 42 (2001)

4) Richard James, *TAFE, University or Work?: The early preferences and choices of students in Years 10, 11, & 12.* Adelaide: National Council for Voc. Education Research: 60 pp. (2000)

5) Richard James and David Beckett, Higher education and lifelong learning: An Australian perspective, in Schuetze, H. & Slowey, M. (eds) *Higher education and lifelong learning: International perspectives on change*, Routledge/Falmer: London. pp. 173-194 (2000).

Keith J. MORGAN

Emeritus Professor, University of Newcastle, Australia
Emeritus Professor, Lancaster University, England
Research Fellow, Research Institute of Higher Education (RIHE), Hiroshima University, Japan

Research Fields

Economics of education, Higher Education policy, Quality Assurance in Higher Education

Publications

1) Keith Morgan, Reform of British Universities and Academic Governance, 1990-2000, in A. Arimoto (ed), *University Reform and Academic Governance Reconsidered,* RIHE, 2002, 65.

2) Keith Morgan, Economics of Education, Part 6, Costs and Benefits of University Research, *Daigaku Ronshu,* Vol. 31, 2001, 175.

3) Keith Morgan, Economics of Education, Part 5, Equity, Earnings and Education of Women in Japan, *Daigaku Ronshu,* Vol. 30, 2000, 153.

4) Akira Arimoto and Keith Morgan (ed), *Higher Education Reform for Quality Higher Education Management in the 21st Century,* RIHE, 2000.

COE International Seminar

on

Mergers and Cooperation

among Higher Education Institutions:

Australia, Japan and Europe

Introduction

Mergers and Cooperation of Higher Education in Transitional Context

Takashi Hata*

The mergers of institutions of higher education can be considered not only as a means of survival for private universities and colleges but also as a method of structural reform for the public higher education system. This structural reform has been taking place in the UK, Australia and Japan for a long time.

During the 1990s, Holland, Norway, Canada, Hungary and other countries implemented mergers of higher education institutions in order to create stronger and more comprehensive universities. The mergers of teacher education colleges and single faculty universities into general universities have been occurring in a context of controlled financial crisis and the shrinking of Government funding in terms for higher education institutions.

The large-scale development of university mergers influences the regional positioning of universities, and may bring about substantial change in the role of the university in the local community. However, it is necessary to examine the risks that accompany the mergers of institutions which have institutional and cultural differences, and the expenses involved in securing the unity and corporate identity of the new institutions.

Attempts to develop teaching and research in higher education institutions not only by mergers but also by alliances and cooperation, are also being made in countries all over the world.

In short, from beginning of the 1990s we can see an enormous change from the traditional university ideal, of an integrated single sites or campus, to a new model of stronger and comprehensive universities spread over on multi sites or multi campuses (Harman & Harman 2002).

Despite the recent history of higher education mergers internationally, the research on mergers in Japan is rarely discussed except with regard to the history of the formation of the new system of universities, for example, in the accounts of Ministry of Education officials such as Sugano Makoto, Sato Yuzuru (1983), and also Terasaki Masao (1969) and Hata Takashi (1999).

The accumulated research of America, England Australia, which includes extensive case studies, is markedly different to that of Japan. It is of benefit to Japan to investigate the implications arising from these case studies and the research on international mergers, in order to inform restructure in Japan.

The theme of this international seminar was worldwide university mergers and cooperation, and as speakers Drs. Harman and Harman, presented paper based upon their university mergers, Dr. Richard

---

* Professor, Research Institute for Higher Education, Hiroshima University, Japan

James led the discussion on higher education cooperation. Dr. Teekens who was a Director of Nuffic Department for International Academic Relations Netherlands was invited to speak on European trends, but he was unable to attend due to unavoidable circumstances. In his place, Dr. K. Morgan was asked to present a paper.

The seminar investigated the structure of universities and institutions. The two-day seminar clarified the international trends and theoretical underpinnings cooperative programs, and mergers, and outlined topics for the future.

I would like to thank all the people who participated, and hope that this report will be widely read and can make a contribution to university research.

References

Harman, Grant & Harman, Kay (2002), *Institutional Mergers in Higher Education: Lessons From International Experience,* unpublished.

Hata, Takashi (1999), *The Policy of Decline for Higher Education: Focusing on the Changes from 1990's Onwards, Bulletin of Graduate School of Education Hokkaido University*, vol. 85.

Sato, Yuzuru (1983), Nihon no Gakko Kenchiku (School Architecture in Japan), Bunkyo News Publisher.

Terasaki, Masao (1969), *Sengo Nihon no Kyoiku Kaikaku 9 (Educational Reform After the W.W.   )*, Todai Shuppankai (University of Tokyo Press).

Australia

Comparative Perspectives on Mergers in Higher Education

Grant Harman

University of New England

Oral Presentation

Comparative Perspectives on Mergers in Higher Education

Grant Harman[*]

Chairperson (CP): Fu-tao Huang[**]

CP:

Good morning everyone. May I have the privilege to open the first day of this international seminar on merger and cooperation of higher education institutions in Australia, Japan and Europe.

In the morning session, we are glad to be able to have invited Professor Grant Harman from University of New England, Australia, to attend our seminar an deliver us his presentation on Comparative Perspectives on Mergers in Higher Education. As you may know, Professor Grant Harman is an internationally well-known scholar and has made lots of publications on mergers in higher education over thee years and I suppose that many of us here may have read some of his papers or books before. In this morning session I am sure that we shall profit much from Professor Grant Harman's report and have a very good beginning of this international seminar.

GH:

Well, good morning everybody. Director, Professor Arimoto, colleagues. Thank you for your welcome. I have been looking forward for many years to visiting this University and its well-known Research Institute for Higher Education. This is my first visit. The Research Institute for Higher Education is well known internationally and I have had the privilege of meeting senior staff from the Institute at various conferences and in Australia. I have read with interest the publications from the Institute. I am delighted to participate in this conference and to learn about the work of the Institute and about Japanese higher education and the current institutional merger efforts.

Over the years, I have followed with interest the development of higher education in various Asian and Pacific countries. It has been fascinating to observe the rapid and substantial changes that have been taking place across various countries of this part of the world. Today the rapid pace of change continues. This morning our chairman talked about the new directions of change here in Japan. Similar changes are taking place in so many different Asian countries today. I have just come from Hong Kong, where there has been a major external review of higher education provision. Individual universities in Hong Kong too have had their own reviews. The University of Hong Kong, for

---

[*] Emeritus Professor, Centre for Higher Education Management and Policy, University of New England, Australia

[**] Associate professor, Research Institute for Higher Education, Hiroshima University, Japan

example, recently had an external panel review its management structures and currently it is working to implement the panel's recommendations.

In my own country, Australia, the process of change has been rapid and extensive. Currently proposals are being developed for alternative funding mechanisms. A couple of weeks ago in Britain the Secretary of State for Education issued a very important report, a White Paper on Higher Education, which is going to produce quite fundamental changes in the British system of higher education over the next decade and beyond. Individual universities will be able to seek approval to set their own tuition fee levels. Research funding will be even more targeted and so it is likely that institutional stratification will become more marked. And there are new efforts to lift participation rates and to recruit increased numbers of school leavers from lower socio-economic groups.

In this session, I propose to talk about mergers or institutional amalgamations in higher education from a comparative perspective. I plan to review the international experience with mergers in various higher education systems, particularly over the last two or three decades. I will also deal with key concepts and ways of thinking and researching about mergers. My observations are based on reading of the research literature, and on my own research efforts over a number of years and the work of research students in our research center. They also are based on my experience as an observer in other higher education systems.

Apart from this, my own institution, the University of New England, went through a merger with three colleges of advanced education over a decade ago. It turned out to be quite an unfortunate and disastrous experience. In the end, the merger was dissolved and the partners went in different directions. The merger failed for a number of reasons, but particularly important factors were the use of federal rather than unitary structures, the clash of different institutional and academic cultures, and the inability of particular senior administrators to work effectively in team situations.

In recent years, I have been privileged to look at mergers in a number of other countries, including England, Northern Ireland, the United States, South Africa, Norway and New Zealand. Recently, I've had the opportunity to work with the South African University Vice-Chancellors' Association as their Government has planned an extensive program of mergers. Last December the South African Government finally decided to proceed its ambitious merger plan, driven largely by the need to introduce greater equity into the system, and erase key elements of the apartheid past.

My comments will relate to both public and private higher education, although the merger experience is very different between those two sectors in most countries. I'll look particularly at ways of conceptualizing mergers and different forms of institutional collaboration. It is important in any kind of educational research about how you conceptualize problems or phenomena, and how you see the various components being related to one another. I'll look at the main drivers of mergers, the factors that push mergers along. I will try to classify and categorize different types of mergers. Not all mergers are the same. They vary tremendously along a number of important dimensions, and this in turn has a major impact on merger proposals and implementation. I will suggest a system for

classifying mergers. I will talk about the national experiences with mergers in a small number of different countries including Australia, make some comparisons between the UK and Australia, and then say a few words about some recent new international directions in merger activity.

Over the past 40 years, mergers have become increasingly common internationally across a whole range of different countries. There have been extensive mergers over the years in North America, particularly in the United States, in the UK, Norway, the Netherlands, Australia, South Africa and in various locations here in the Asian Pacific area. Vietnam, for example, went through major mergers about a decade ago in an effort to create two new comprehensive national universities.

Mergers have been used in many cases as major policy tools by governments, especially in efforts related to restructuring and reform. They have also been used by governments to address a range of different problems, such as problems of fragmentation or too many small and highly specialized institutions. Some higher education systems have seen fragmentation and associated high operational costs to be particularly serious problems. Norway is a good example. Norway had numerous small colleges, dotted throughout the whole country. It is only a country of four or 5 million people and yet, until recently, even relatively small towns had two or three separate institutions. Fragmentation is often associated with both high operating costs per student unit and lack of academic viability. Institutions can be regarded as being non-viable financially when there is simply not sufficient income to sustain institutional operations. Institutions can be regarded as being non-viable academically when they do not have sufficient academic expertise or infrastructure, particularly to teach higher-level courses and facilitate further institutional development. In addition, often associated with problems of non-viability are concerns about quality of courses and quality of graduates.

The international movement for mergers generally has sprung from contexts where governments are under pressure to enhance efficiency in their higher education systems. Many public higher education systems have expanded rapidly and this has placed increasing financial pressures on government. Across the Asia Pacific region over the past two decades expansion in student enrolments has been impressive. More and more students are now enrolled; there are now much higher rates of participation in higher education especially by school leavers. This has necessitated very large investments in new institutions and campuses, and has dramatically increased operating costs. So understandably, governments are looking for ways to educate more students at lower costs per student unit.

Governments also are seeking to make higher education more directly serve national purposes or goals. They wish higher education to make more direct contributions to economic development, and also to serve social purposes more deliberately, especially related to the enhancement of the quality of life for a whole range of different people. Governments also have come to see the value of creating well-coordinated national systems of higher education. Thus higher education institutions are being transformed from being just collections of individual institutions spread around a country into sets of

well-coordinated institutions that work together to produce collectively social and economic goods of value for the nation.

With regard to individual institutions, mergers are initiated for a range of different reasons. Particularly important in many cases is the need to address external threats and competition. When other institutions are more successful in student recruitment and even attract away enrolled students, this soon raises questions about the future viability of an institution.

Internationally, over the past 30 or 40 years, there has been a distinct move away from smaller, highly specialized institutions, towards larger and more comprehensive institutions, often operating from a number of different sites. You can see this trend in a number of countries, including Australia, the UK, Canada and the US. Generally the view is that stronger, larger and more comprehensive institutions are more cost efficient, better able serve the needs of student populations, and better equipped to undertake large-scale research efforts and build effective research links with industry. It is also easier for governments to manage systems composed of a relatively large number of major institutions rather than ones comprising large numbers of small, highly specialized institutions. If governments want to have well coordinated systems working together collectively for the national good the thinking is that the smaller the number of separate institutions the easier it is to get them working together.

In the case of Australia, and probably in a number of other countries as well, another factor that was not made explicit by Ministers and government officials was that, with the move to more competitive university systems, it is was thought that larger and more comprehensive institutions would be better equipped to survive and prosper than numerous smaller institutions.

In most countries, mergers tend to be highly controversial and strongly contested. They get people highly excited. They are seen as a threat to staff who fear for their job security and futures. They threaten established courses and administrative procedures. They threaten traditions and established cultural norms. Sometimes students fear that they might not be able to complete their courses. There are also important questions in people's minds about institutional identity. We all develop particular affection for our institutions and departments. Many academics in particular feel deeply upset that the institutions in which they have worked, often for long periods, may not survive. All kinds of strategies can be employed to try to block mergers including lobbying efforts on Ministers and senior officials, and even strikes and sit-ins. There's also a question of whether staff that are in particular management or senior positions will retain those positions.

Implementation of merger decisions and plans can be very difficult. Even bringing two institutions together raises a whole range of administrative, organizational and cultural problems to be addressed in order to make a single integrated institution.

But I want to emphasize today that there is another side of the coin. Academics frequently do not see the positive aspects of mergers. Generally, if you talk to academics in countries that have been through mergers, you will be given a strongly negative view. You will hear about all the damage that

mergers produce. Academics will concentrate particularly on the negative features, on the minuses, and seldom will say anything on the positive side.

There is, however, a positive side and one of my arguments today is that while mergers are often painful and hurtful they can produce major benefits, such as larger and more comprehensive institutions covering a wide range of different academic and professional fields. Larger and more comprehensive institutions generally have greater flexibility, particularly in moving enrolments and resources between different fields. In some cases, with the right conditions, mergers can enhance student choice, provide students with better facilities and better support services. Under certain conditions, they can also produce economies of scale.

Admittedly, there are often considerable differences of opinion among experts about possibility of mergers producing economies of scale. If you read the literature, you will find that the findings from limited number of studies are by no means totally convincing. There has been a lack of serious, in-depth work on this topic. There is also the problem that whether economies of scale can be achieved depends on particular contexts. For example, in the public sector, whether or not economies of scale are likely to be achieved will depend on government financial allocations. In Australia, mergers in the early 1980s achieved major economies of scale. The reason for this was simply that the Federal Government put various colleges together in order to form larger institutions and then reduced the total budgets and maximum student enrolment limits. Economies of scale simply had to be achieved. The institutions concerned were to force to reduce their budgets.

My perspective on mergers comes very much from an Australian experience. While mergers in Australia have been strongly contested, on balance, particularly if we take the major round of mergers at the end of the 1980's and the beginning of the 1990's, overall the results were positive. Despite the trauma, despite difficulties, mergers created a much stronger set of larger universities, better able to compete effectively in the modern global environment.

Of course, not all my colleagues in Australia would agree with my perspective on Australian merger experience. But Australia was able to reduce the number of separate higher education institutions from about 70 or 80 down to essentially 36 major universities.

Moreover, the international literature overall is fairly supportive of mergers. If you look at most of the countries where they've had mergers, very few of the mergers have been undone. In a relatively short space of time, merged institutions seem to work reasonably well. And if you go back a few years later, it is often difficult to get a serious conversation about mergers in merged institutions because the attention has moved on to other topics. Merger is no longer an issue.

As I've already said, mergers can be difficult in the short term. They also can be painful and disruptive. They don't always achieve the outcomes promised by government and institutional leaders.

Curiously, there have been few in-depth, longer-term evaluations of mergers. What happens in most countries is that there's a lot of attention by scholars and other people on mergers when they're proposed and as they're happening. But once merger plans are implemented and the merged

institutions settle down, researchers frequently take off to study other topics. Further, once mergers have been achieved and merged institutions seem to be operating reasonably and effectively, governments lose their interest in further study of mergers. Often they are not even interested in funding evaluative studies of merger efforts. They see mergers as a phenomenon that has past by. As a result, we have few in-depth evaluations of merger efforts, particularly longer-term evaluations.

What to us mean by the term mergers? To my way of thinking a merger is the combination of two or more independent institutions to form a single institution, under the control of one governing body, one management and one CEO, whether the CEO is a vice chancellor or president. Normally, all assets, liabilities and responsibilities move to the new organization, or the continuing organization which one or more other organizations have joined. In many public higher education systems, to achieve mergers requires new laws passed by the parliament or legislature, although sometimes mergers can be achieved legally under powers provided for in existing legislation.

Mergers can be studied from many different perspectives. There is by no means a single perspective, but rather there is a whole range of different possible perspectives. Personally, I find it helpful to think of mergers as one form of institutional collaboration. So I like to set mergers in the larger framework of different mechanisms for bringing institutions together to work cooperatively.

An interesting point is that, while governments in many OECD countries are pushing for increased competition in higher education systems, and increased use of market mechanisms to establish priorities, at the same time they are encouraging new forms of collaborative institutional linkage and cooperation. Such collaboration and cooperation takes place over a whole range of different areas but particularly important is the research area. Governments are encouraging institutions to compete for research funds and in research achievements. But at the same time they are also encouraging and providing incentives for universities to work collaboratively together in a whole range of research activities and in the use of large-scale, expensive equipment.

Mergers and other forms of institutional linkage can be placed along a continuum. At the far left, there are different forms of informal collaboration between universities and colleges. At the simplest level, there is academic collaboration between individual academics and their departments. An academic from one university may collaborate with a colleague in another institution a research project. Or two departments in different institutions might share in a joint teaching activity. In many countries an impressive range of different kinds of collaborative activity takes place between institutions located close together as well as often institutions located far apart.

Another form of linkage is affiliation where an institution establishes a formal link to another institution for a particular purpose, such as gaining the right to award degrees. This happened particularly in the past where colleges of education established formal links with universities in order to award the bachelor of education degree.

Consortia constitute another common form a linkage today. There's a whole range of formal consortia arrangements operating in different countries. Institutions come together in consortia for

many different purposes, such as to share library resources, to share expensive research facilities, to operate a seed fund for spin-off companies. Consortia clearly are an increasingly important vehicle for institutional collaboration today.

Less common but still important are jointly owned academic departments. In a number of countries, universities have combined departments in certain specialized fields in order to pool expertise, and build strong units. In the city of Sydney, for example, the business management studies skills of the two leading universities have been brought together to form a single graduate management school. This has been established by a formal agreement between the two universities. This new single graduate management school relates to both universities.

As we move further along the continuum, we come to mergers based on federal structures. In this case a merger is achieved through creating a new federal structure that goes over the top of existing structures, enabling existing institutions to retain their identity and many of their powers and responsibilities. However, with federal structures, rationalization of both courses and administrative functions is more difficult to achieve.

At the far right end of the continuum are mergers created using unitary structures. With a unitary structure, a number of separate institutions combine to form new institution, with the combining partners then going out of existence. Alternatively, one current institution might absorb one or more other institutions that in turn lose their identity and separate existence.

One of the points I want to make is that it is rather foolish to think of institutional collaboration just in terms of merged institutions with a unitary structure being the only useful form of institutional linkage. Rather, there is a whole range of different possibilities. The optimal strategy depends very much on circumstances and on what the particular institutions wish to achieve.

There are a number of things that drive mergers around the world. As already noted, in public higher education systems perhaps the important factors are perceptions about fragmentation and over specialization by small institutions. Today there are strong beliefs amongst senior officials and ministers in many countries that single-purpose and highly specialized institutions are less desirable that larger comprehensive institutions for a range of different academic infrastructure and also social reasons.

Of course, sometimes governments don't have a consistent view about this. The Vietnam national government, for example was very excited a decade ago about mergers since a lot of their institutions were based on a Russian model, with numerous highly specialized institutions. But when I was there recently, about 6 weeks ago, I was told that a new medical university is being created in Vietnam. It's a highly specialized medical university for ear, nose and throat medicine! In this case, the funds are coming from a donor country and so possibly the donor specified the type of institution that should be created.

Other drivers are the search for cost efficiencies, enhancing access, and concentrating research and capital resources more effectively. Concentration of capital resources in a limited number of major

institutions can be an important factor in higher education system growth situations. Australia was quite fortunate with the mergers of a decade ago because, immediately after the mergers were achieved, there was a period of rapid expansion in student enrolments. This meant that capital resources could be strategically concentrated in a limited number of institutions and sites.

Other factors driving mergers and other forms of collaboration relate to research. There are pressures for greater collaboration and concentration of research resources because of the high costs of scientific research. Pressure for collaboration also comes from increased academic specialization and the need in many scientific fields to build multi-disciplinary research teams.

Collaboration is being facilitated increasingly by the use of modern communications technology. It is possible now to operate various kinds of virtual universities, virtual colleges or virtual research groups. I read a nice paper recently from the United States where three academics had got together in the same specialized field, the economics of education, in three different universities. They agreed to teach postgraduate courses cooperatively, using the internet and with all three academics contributing. Students continued to enroll in the same university. There was no exchange of funds. The academics themselves built this virtual sub-department.

It is important to make distinctions between different types of mergers. Here are some of the different classifications or types of mergers that we can talk about. Voluntary and involuntary is quite a useful distinction. The distinction is between mergers that are initiated by the institutions themselves, or at least supported by the institutions, as opposed to those that are imposed by government from outside. Although the distinction between voluntary and involuntary may not be always clear-cut, still it is a useful in order to better understand merger behavior. Further, it has to be remembered that with many mergers there is often a combination of drivers at work. Sometimes institutions agree to a merger or even initiate a merger, but they do so because of a government threat or the possibility the government will later force a merger. This is what happened in a number of cases in Australia. Overall, I think that the evidence shows that voluntary mergers work best. Mergers work more smoothly and with less conflict when institutions themselves take the decision to merge, or at least if they agree. The South African national government has recently taken the opposite point of view. In South Africa, I have argued in workshops with vice-chancellors for voluntary mergers, using government incentives and persuasion. However, the South African Government has taken the view that voluntary mergers would not work in South Africa.

There are important differences between what may be called consolidations and takeovers – between two institutions of equal size coming together, a consolidation, as opposed to a takeover, where a large institution incorporates a much smaller institution. A consolidation usually takes much more time and effort to achieve, because it involves creation of a new institution. With a takeover, a smaller institution is absorbed into a larger institution, usually becoming a department or a faculty.

There also are differences between mergers that take place in the one sector of a higher education system, and cross-sectoral mergers. Cross-sectoral mergers tend to be more difficult to achieve

because they have to deal with different cultures, different institutional roles, and different funding mechanisms. In many countries it has proved far easier to merge two or more colleges together, than colleges and universities. In most countries, mergers in public sectors have been generally within one sector, particularly non-university sectors. In many cases, non-university sectors have been made up of numerous small institutions that are brought together to build larger units.

There are also differences between two-partner and multi-partner mergers. The number of partners involved can have major effects on the character of merger negotiations and on implementation processes. Frequently, in merger negotiations, irrespective of the size of each of the partners, there are demands and expectations that each partner should have an equal voice in the negotiation process, and should have an equal number of votes in decision-making. That raises all kinds of problems. Sometimes in proposed two-partner mergers you will find that one of the partners tries to bring other partners into the negotiations with the aim of influencing the merger process to their advantage and changing the balance of power.

There also are important differences between mergers of institutions that have a similar academic profile and institutions that have different profiles. Merging two teachers' colleges together is quite different to merging a teachers' college and a polytechnic.

Let me now talk about national experiences in a small number of countries. The United Kingdom has had a long history of mergers going back to the 19th century. In the 1970s and 1980s, mergers were used extensively for restructuring to deal with problems of institutional fragmentation, small specialized institutions and an over-supply of teacher education graduates. Colleges of education were a particular target and various efforts were made to link them with universities or with polytechnics, or to combine two or more colleges together to create new institutions.

In the 1980s, a number of the separate colleges of the federated University of London were brought together to build larger university units. About the same time there was a very controversial merger in Northern Ireland between the New University of Ulster and Ulster Polytechnic.

More recently in the UK numerous mergers have gone on with little conflict since British Government has used the more subtle approaches of persuasion and incentives. Particularly important has been the incorporation of a number of separate hospital based medical schools within major colleges of the University of London, such Imperial College, Kings College, and University College. Outside London throughout England a surprising number of smaller colleges have been involved in mergers. There hasn't been very much about this in the newspapers, but there has been a significant reduction in the number of institutions, from 183 down to 169 over a relatively short period of time.

Australia has used mergers extensively since 1960. The have been three main waves of merger activity. From 1960 to 1980, there were numerous consolidations in the non-university sector, mainly various kinds of specialist colleges combining together to build larger units – teachers' colleges, agricultural colleges, music colleges, pharmacy colleges and so on. These mergers were essentially involuntary. They were forced by federal and state governments. From 1981 to 1987 there were a

series of forced mergers of teacher education institutions. As part of a review of Commonwealth Government functions, 32 institutions were informed that they were required to merge to form larger units, or they would lose all their Federal Government funding. In the end, 28 of these institutions actually went ahead with mergers. It was controversial and there was a lot of opposition. Then an even more substantial set of mergers occurred between 1987 and 1991. These were largely voluntary. It was very cleverly done with the use of incentives and threats. This is an interesting example where governments show that they can learn from unpleasant past experiences. The Minister at that time came up with a cleverly devised strategy. What he did was to the universities and colleges that the Government had decided there would be mergers in order to build larger institutions. He explained the future Commonwealth Government funding would be based on minimum acceptable student enrolments. Unless an institution has 2,000 FTE students it will not receive any funding. That's a strong incentive! Unless an institution has 5,000 FTE students it will not be funded for any research activities. And unless an institution has 8,000 FTE students it will not be funded for comprehensive research programs. Effectively the Minister said to institutions: 'It's up to you to decide. You don't have to merge. You can stay small and do without Federal Government funds, should you wish!' In no time, even the most prestigious universities in Australia were actively seeking partners. A strong belief developed that, in the new era, institutional size was going be increasingly important in attracting resources and students. So the big universities sought out various colleges, trying to persuade them to join with them. In the end, the total number of institutions decreased from 70 or 80 down to essentially 36 universities. In the end, the Federal Government allowed three or four small colleges for special reasons to remain independent. But essentially through mergers the system was reduced to 36 universities. On balance, this combination has worked very well. The Australian university system is now made up of relatively large universities, each with on average more than 20,000 FTE students.

The United States is a very different scene. In the public sector, recent mergers have been concentrated amongst community colleges, 2-year institutions, to build larger units. However, in the 1950s, 1960s and 1970s there was a different kind of merger activity in the public universities. In many American states, universities and colleges were combined to form multi-campus, integrated systems. If you take California for example, you have a single University of California with ten separate campuses. You also have a single state university and college institution with a single CEO, a single governing body, but with 22 campuses each headed by a president. The other kinds of mergers in the United States that have been very important have been amongst private institutions. Small colleges have been combined to make larger units. Mergers have often been seen as the best remedy when smaller colleges lose students and are facing bankruptcy. To survive, they try to merge with one or more other colleges. In many cites separate men's and women's Roman Catholic colleges have come together to form co-educational institutions.

In the Netherlands and Norway, merger activity has been concentrated mainly outside the universities. It's been in the colleges. There have been problems of fragmentation and small institutions. In both countries effort has been directed at building larger units.

In Canada, the main merger efforts have been directed at bringing teachers' colleges and other specialist colleges into universities. That largely happened in the 1960s and 1970s, a long time ago. But there's a recent case of two public universities that have combined in Halifax in the province of Nova Scotia.

South Africa is very different again. As already noted, the national government has embarked on an ambitious program of compulsory mergers. The agenda is being driven by very different needs to those in other countries we have discussed. Here mergers are being driven primarily by the needs of post apartheid South Africa. A major problem exists with former black universities, mainly located in more remote rural areas. Well-qualified black students have deserted these universities, because they now can enroll at any university, including former prestigious white universities. So black students have gone to leading former white universities in large numbers. This has resulted in the former black universities losing large numbers of their students and facing bankruptcy. There's also a strong belief in South Africa that a major reform is necessary in the post apartheid era. It is necessary to build a new system that looks distinctively different to the past. In addition, the other agenda in South Africa is to change the staff profiles of institutions, according to racial or ethnic backgrounds. The South African Government, as already noted, has rejected the idea of voluntary mergers and has specified the mergers that are to take place.

Hungary is another interesting case. An ambitious program of forced mergers was undertaken in the 1990s, driven by the Government with World Bank support. The Government took a deliberate decision to undertake mergers on a geographic basis. That is, it planned mergers of institutions located geographically together in different disciplines, rather than putting groups of teachers' colleges or engineering colleges together across the country.

Merger activity internationally has been highly spasmodic and uneven. In a number of countries, there have been intense bursts of merger activity for two, three or four years, followed by periods of stability. Merger activity is also uneven between countries. Just because a country may have a highly fragmented system or highly specialized institutions, this does not necessarily lead to mergers. The major determinants of whether mergers occur or do not occur in any higher education system appears to be government action and government reform agendas. Of crucial importance is whether a government takes the view that mergers are necessary and whether they link this with some broader reform agenda. Of course, mergers are more likely to occur in systems that are highly fragmented, especially when there are severe pressures on funding.

External influences can be very important, such as experience in key other countries and views of experts and donor agencies including the World Bank. The World Bank tends to favor mergers.

Currently there are a few interesting new possible directions with mergers. There have been some recent discussions and proposals around the world for mergers that I hadn't expected. Particularly interesting is the possibility of strong research universities combining in order to create even stronger institutions. In the past, merger activity has tended to be mainly confined to smaller and weaker institutions. But in Britain there have been serious discussions of combination of leading universities in the industrial cities of Manchester and Birmingham. There's also been a recent proposal for Imperial College and University College to come together, although after some discussions this was rejected by senior academics. But if these two institutions had agreed to come together, this would have created a new institution with twice the government research funding of either Oxford or Cambridge. There's also talk in Hong Kong that the Chinese University and the new University of Science and Technology should merge. I don't know whether any of these proposals will lead to mergers but it is an interesting possibility to think that major research universities which are strong and viable might be considering mergers to create new kinds to institutions better able to compete internationally in high quality research activities and in research commercialization.

Internationally there also are interesting new forms of institutional collaboration. I've mentioned joint academic departments, virtual universities, and national and university collaboration for benchmarking. There is Universitas 21, an interesting international benchmarking and collaborative group of leading research universities, combining with a major publishing firm to create a new company that will offer degree courses.

There are many ways of building effective inter-institutional linkages. Mergers are just one option. The important thing for any society, for any institution, for any group of institutions, is to decide on goals, and then on what kinds of organizational arrangements are best able to achieve the goals.

Thank you very much.

Full Text

Comparative Perspectives on Mergers in Higher Education

Grant Harman

Introduction

This paper reviews recent international experience with institutional mergers within higher education systems. It is based on reviews of research literature, on my own research efforts and that of research students within our research group, on personal experiences with merger efforts, and on working with administrators and academic staff in various higher education systems outside Australia. It covers both public and private sectors. While mergers of departments and faculties are important restructuring devices within institutions, this paper concentrates on institutional mergers, or the combination of separate institutions.

After some introductory remarks about mergers and ways of conceptualising mergers and other forms of institutional collaboration and linkage, the paper looks particularly at drivers of mergers and collaboration, ways of classifying different types of mergers, national experiences of a small number of different countries with mergers, some comparisons of British and Australian merger stages, the spasmodic nature of merger activity and the uneven distribution of mergers between countries, and some new directions with regard to mergers and collaboration.

Over the past four decades, mergers have become an increasingly common phenomenon across many higher education systems in both highly developed and developing countries. They have been used by national governments to achieve a variety of purposes, but particularly as policy tools for major restructuring and instruments to address such problems as institutional fragmentation and inefficient institutional over-specialisation, lack of financial and academic viability of institutions, and problems of low efficiency and doubtful quality. Mergers also have been used by individual institutions to address financial problems and external threats, particularly threats related to falling student demand and strong competition from other institutions.

Mergers often have been closely associated with major national reform efforts and important evolutionary changes in higher education systems, particularly related to major expansion in provision and enrolments, and transition from relatively small elite systems to mass higher education. In many countries, this transition has been accompanied by increased government pressures for efficiency and quality. Increasingly many governments have come to mergers as important instruments of restructuring and reform.

Mergers frequently are highly controversial and strongly contested. Often they are opposed by staff and students, who see mergers as being disruptive, threatening institutional strengths and

traditions, and being driven by government purposes or to serve the interests of senior institutional managers. Frequently mergers threaten continuity of staff employment and advancement. On the other hand, proponents and supporters of mergers point to potential and achieved benefits, including increased efficiencies and savings on capital investment, stronger academic programs and increased student choice.

Not surprisingly, higher education policy researchers differ in their perspectives on mergers. My own judgment is that institutional mergers have the potential to produce substantial benefits, and have done so in numerous cases. My perspective has been considerably influenced by study of the Australian experience. Major Australian restructuring which included numerous mergers of a little more than a decade ago dealt effectively with a high level of institutional fragmentation especially in the college of advanced education (CAE) sector and produced a restructured higher education system with reasonably large and comprehensive institutions, much better suited to serve Australian students and society in a highly competitive age. Admittedly, there was considerable pain and major organisational effort involved. But since the end of the period of mergers in the early 1990s, there has been a high level of organisational stability and public discussion of mergers and their effects has faded almost completely from the public agenda.

Modules of Collaboration and Merger

Mergers or amalgamations can be defined as the combination of two or more separate organisations, resulting in overall governance and management control coming under a single new governing body and single chief executive of a new institution, or under the control of an ongoing organisation. Normally all assets, liabilities and responsibilities of former institutions are transferred either to a new institution, or a continuing institution (Harman and Meek, 1988; Goedegebuure, 1992). In many public higher education systems, mergers require new legislation to be enacted by parliament or the legislature, although in some cases, particularly with non-university institutions, governments already enjoy powers to combine institutions into new legal entities.

Mergers can be viewed from many different perspectives (Goedegebuure 1992; Eastman and Lang 2001; and Lang 2002). In this paper, they are set within the context of different forms of institutional collaboration of cooperation, sought by either governments or institutions, or a combination of these. While governments are increasingly using competition and market mechanisms as means of steering higher education systems and allocating public resources, they are also pushing higher education institutions to collaborate increasingly amongst themselves. At the same time, higher education institutions also see increased need for collaboration, even with strong competitors.

Institutional collaboration and linkages can take many forms. One simple way of conceptualising such arrangements is to use a continuum running at one end from informal, small scale and often *ad*

hoc collaboration through to effective mergers within tight unitary structures. This is illustrated in Figure 1.

Figure 1: Models of Collaboration and Linkage

Informal collaboration	Affiliation	Consortium	Joint department	Merger with federal structure	Merger with unitary structure
COOPERATION			**COORDINATION**		**MERGER**

At the far left of the continuum, lie various forms of informal collaboration including academic collaboration and shared use of expensive or highly specialised equipment. Such collaboration often is organised by individual staff or departments. It can be locally based between adjacent institutions, but frequently collaboration takes place between institutions far removed from one another, including various forms of international collaboration. One of the impressive developments in recent years has been the growth of international collaboration, with often strong encouragement and support by governments. Informal collaboration may take place with a minimum of formal agreements but increasingly institutions tend to favour use of more formal legal bases for any collaboration involving significant resources and carrying significant liabilities.

Moving to the right on Figure 1 comes more formal types of collaboration, including affiliation agreements, such as those which enable non-university organisations to award university degrees or gain other forms of academic recognition, consortia to handle particular collaborative functions, jointly owned facilities or departments, and jointly owned university companies. In some cases, formal agreements for particular forms of collaboration may be based simply on exchange of correspondence, while in others cases collaboration is underpinned with formal and legally binding agreements. Three interesting new forms of collaboration, which will be discussed later in the paper, are new collaboration in teaching effort; research and technology transfer collaboration; and international collaboration for benchmarking and course delivery.

Moving further along the continuum in Figure 1 are full mergers. Some mergers are achieved by use of federal structures where powers and responsibilities are divided between the combining organisations and some new overarching body. Such federal structural arrangements are often used in order to enable participating institutions to retain a measure of independence and separate identity. However, federal structures tend to be less stable than mergers based on unitary structures and allow for less effective integration of academic and administrative activities. Certainly Australia's recent experience with federal structures has been far from successful (Massingham 2001; and Hatton 2002).

With a unitary structure, two or more separate organisations come together, with overall management control coming under a single governing body and single chief executive. In other words, participating institutions lose their separate autonomy and identity, although particular responsibilities may be devolved to separate campuses. American multi-campus organisation are good examples of large universities with unitary structures but often with significant devolution to separate campuses.

Drivers of Mergers and Collaboration

Mergers and other forms of collaboration in higher education have various drivers, but particularly important within national higher education systems have been pressures on governments to achieve:

> increased efficiency and effectiveness, especially to cope with rapid and substantial increases in enrolments and additional responsibilities for higher education institutions
>
> action to deal with problems of institutional fragmentation, over-specialisation of particular institutions and non-viable institutions;
>
> improved student access and greater differentiation in course offerings to cater for more diverse student populations;
>
> increased levels of government control over the overall direction of the higher education systems, especially to ensure that institutions more directly serve national and regional economic and social objectives; and
>
> more effective university links with industry an research commercialisation.

While some forms of collaboration and mergers are driven by academics or other professionals, other forms arise from external pressures from government or community groups, from funding incentives provided by governments or donor organisations, or from government directives. Some collaboration springs from local initiatives of adjacent institutions and their staff, while other cases spring from regional or national initiatives.

Against this background many forms of collaboration are driven by the increased costs of highly specialised scientific equipment and facilities, by an increased degree of academic specialisation and by the increasing needs in many forms of scientific research to build teams with a variety of different specialisms. Use of modern communications technologies have made various new forms of across-institution research and teaching collaboration possible. Examples are the successful multi-site cooperative research centres in Australia and various forms of virtual universities.

In the private sector, mergers and collaboration are usually a response to external threats or opportunities. In the United States, with changed values about separate education facilities for men

and women many church related colleges for men and women have combined to build larger and more viable units.

South Africa provides a particularly interesting case where the current efforts of the national government to achieve an impressive number of mergers involving both universities and technikons is being driven by a political transformation agenda, with the Government primarily addressing problems of equity and disadvantage associated with the previous apartheid government (Kotecha and Harman 2001). But, as well, the South African Government's agenda is being driven for other factors, illustrating well that often large-scale government initiated merger efforts are driven by a combination of motivations. In the case of South Africa, Government documentation emphasising the importance of achieving increased economies of scale, more effective utilisation of staff resources, better student access to higher education for disadvantaged groups and enhanced institutional diversity. In a recent press statement following the Government's 4 December 2002 decision with regard to mergers, the Minister for Education, Professor Kader Asmal, stressed that new comprehensive institutions to be created through mergers 'represent a creative contribution to the restructuring of higher education … and will result in the integration of academic and vocational programmes offered across the full qualification spectrum, allowing increased student access and mobility' (Asmal 2002).

Types of Mergers

Mergers may take a variety of different forms and, in turn, the particular form of any merger effort is likely to have a major influence on the characteristics of the merger process, the kinds of difficulties experienced, the type of organisational and governance structures likely to emerge, and the possibilities of success. Below is set out some useful ways of classifying and conceptualising different merger forms.

Voluntary and Involuntary Mergers   An important distinction is between mergers that result from the initiative of the participating institutions themselves as opposed to those springing from external pressures, particularly government. Generally voluntary mergers or institution-initiated mergers are far easier to organise and are more successful, largely because it is possible to achieve a substantial degree of staff involvement in negotiations and implementation, leading to a strong sense of ownership.

Of course, in some situations mergers arise from a combination of government pressure or persuasion, and institutional choice. This is well illustrated in the case of the extensive Australian mergers of the late 1980s and early 1990s when mergers formed a major element of the Commonwealth government's reform agenda for higher education. However, strictly speaking all mergers that were achieved were voluntary or institutional initiated since the Minister, John Dawkins, cleverly refrained from mandating particular mergers. Instead, he announced that future

Commonwealth funding of higher education would depend on size criteria that he set. Only institutions with more than 2,000 equivalent full-time student units (EFTSU) would attract funding, while 5,000 EFTSU would be necessary to attract basic research funding while 8,000 EFTSU would be necessary to attract funding as a comprehensive research university (Harman 1991). The end result was that 56 out of 74 institutions in the higher sector became partners in mergers on a voluntary basis. But the merger agenda was a government initiated one, and part of a major package of reform. In South Africa, the Government has taken the view that voluntary mergers are unlikely to work effectively. Thus the Cabinet has approved a national plan for mergers following extensive consultation with institutions and other stakeholders.

Consolidations and Take-Overs   Another important distinction is between two or more institutions of similar size coming together to form a new institution (a 'consolidation') as opposed to the 'take-over' of a small institution by a large institution. Consolidations generally take far more effort and time to organise, and involve difficult issues such as choice of the name for the new institution, how the Chief Executive will be appointed, adoption of new academic and administrative structures, the portfolio of courses to be offered, and sometimes whether or not there will be substantial academic rationalisation of courses. Takeovers tend to be far simpler, with smaller institutions often being absorbed as departments or faculties into larger institutions, or integrated into existing structures. For political reasons, takeovers often are presented publicly as consolidations, in order to provide less pressure and a measure of face-saving on smaller institutions being absorbed by larger institutions.

Single Sector and Cross-Sectoral Mergers   Mergers may involve a combination of institutions from one higher education sector (e.g. university or polytechnic) or they may involve institutions from different sectors. Prior to the late 1980s, most Australian mergers were single sector mergers, involving only CAEs, whereas many of the mergers of the late 1980s and early 1990s brought together former universities and CAEs (Harman 2000). Similarly, in the United Kingdom most merger activity has been largely focussed on non-university institutions, although various colleges have become linked to universities and in the mid-1980s in a highly controversial merger the failing New University of Ulster was combined with Ulster Polytechnic (Temple & Whitchurch 1994). More recently there have been a number of examples in England of colleges being absorbed by universities or becoming linked to universities by various administrative and academic links while in London various hospital related medical schools have joined universities. In the United States, most mergers have involved institutions with highly similar characteristics, either private liberal arts colleges or community college campuses (Millet 1976; and Martin, Samels and Associates 1994). Cross-sectoral mergers pose special problems, especially when sectors are well defined and often

funded by different mechanisms and when institutions from different sectors have distinctively different missions, roles and cultures (Harman & Robertson Cuninghame 1995). Many researchers have been attracted to the study of cross-sectoral mergers, since they often produce higher levels of conflict and allow special opportunities to study academic and organisational culture.

Two-Partner and Multi-Partner Mergers   Two-partner mergers tend to be considerably different from multi-partner mergers in character and how detailed organisational arrangements are handled. The most common Australian mergers in the 1960s and 1970s were of two partners coming together, but from the early 1980s there were many cases of multi-institution mergers that usually took the form of consolidations rather than acquisitions. Sometimes small institutions work hard to attract additional partners into merger negotiations in order to avoid being 'swallowed-up' by a larger institution.

Similar and Different Academic Profile Mergers   The range of academic disciplines included in mergers is another important variable. A useful distinction can be made between mergers of institutions offering courses in the same field or fields of study (e.g. combination of two colleges with the same range of disciplines) as opposed to mergers of institutions offering courses in different areas (e.g. combination of a polytechnic and college of education). This distinction is somewhat similar to that between single sector and cross-sectoral mergers, although academic profiles of merging institutions can be substantially different even though they are located on common sectors.

Mergers of institutions with the same range of disciplines often mean greater commonality in academic cultures but frequently major rationalisation of course offerings will be necessary if cost savings and effective rationalisation are to be achieved. On the other hand, mergers of institutions with different profiles can produce greater cultural conflict (Harman 1989; Harman 2002) but often has the potential to result in more comprehensive institutions. In the early 1990s, by combining specialist nursing and teacher training colleges with regional research institutes (Skodvin 1999; Norgard & Skodvin 2002), Norway developed a new system of comprehensive regional colleges, while in various central and eastern European countries and particular Asian countries highly specialised universities under the control of a range of different government ministries have been combined to form comprehensive universities. In the case of Hungary, the Government stipulated that mergers would be made on a geographic rather than a mission basis i.e., dissimilar institutions in particular geographic areas would be merged rather than similar universities in different locations (Morgan 2000).

National Experiences with Mergers

Mergers have been a particularly common phenomenon in a small number of countries for well over three decades. Examples are Britain, Australia and the United States, each of which has used mergers to address various system-level problems, particularly related to institutional fragmentation and weak and non-viable institutions. Additionally Britain, Australia, Norway and South Africa have used mergers as key elements in major restructuring efforts to build larger and more comprehensive institutions.

United Kingdom   The United Kingdom has had a long history of mergers and other forms of institutional collaboration going back to the late 19th century. In both England and in Wales, federal structures were adopted at an early stage while elsewhere in a number of cases smaller non-university institutions were combined to form the basis for the development of new universities. Another common long-term trend has been the absorption of small and highly specialised institutions into larger and more comprehensive institutions (Robinson 1977).

In the 1970s and 1980s, merger was used as a major restructuring device to deal with problems associated with fragmentation and small size with colleges of education, resulting in many institutions being combined, or being absorbed into nearby polytechnics or universities (Locke, Pratt & Burgess 1985). Mergers were used in the 1980s to address problems associated with smaller colleges within the federated University of London while a merger strategy was adopted in Northern Ireland to address budgetary and other problems associated with the New University of Ulster. More recently, major rationalisation of medical education in London has consolidated medical schools within major institutions including Imperial College, University College and Kings College, while outside London many smaller institutions have been drawn into closer association with nearby universities and larger colleges. In the five-year period 1992-97, some 25 smaller colleges were merged into larger institutions, resulting in reduction in the total number of higher education institutions from 183 to 169 (Fielden & Markham 1997).

While merger activity has been centred mainly on non-university institutions, a number of universities recently have initiated merger discussions. In late 2002 the London Guildhall University and the University of North London merged while other mergers are contemplated in London, Manchester, Birmingham and Wales.

Australia   Over the past forty years, Australia has made extensive use of mergers to solve particular local problems of duplication and as part of restructuring efforts to address problems of fragmentation, small and non-viable institutions and the desirability of building larger and more comprehensive institutions. Merger and restructuring activity took place in three separate waves of effort, each initiated by governments.

The first wave between 1960 and 1981 was mainly concerned with consolidation of a highly fragmented non-university sector, with the result that numerous small, specialist institutions (mainly in paramedical studies, agriculture and teacher education) were combined to form larger institutions and in a few cases absorbed into universities. In a small number of cases, such as the Victorian cities of Ballarat, Bendigo and Geelong, comprehensive CAEs were combined with small specialist colleges (Harman, Beswick & Schofield 1985).

The second wave of mergers between 1981 and 1987 was initiated by the Commonwealth Government, which in 1974 had taken over full responsibility for the funding of all public higher education. As part of major cost cutting and government restructuring efforts, the Commonwealth decided that 30 CAEs with heavy involvement in teacher education must combine with other institutions or lose their funding (Harman 1981). These mergers were strongly contested but, in the end, 26 of the 30 institutions were combined into larger CAEs or absorbed into universities.

The third wave of restructuring from 1987 to 1991 was by far the most dramatic and far reaching. In late 1987, the Commonwealth announced major reforms that included abolition of the binary system and extensive institutional mergers. As already noted instead of determining which particular mergers should take place, size criteria were used to define eligibility for future Commonwealth government funding, with size limits of a minimum of 2,000 EFTSU, 5,000 EFTSU and 8,000 EFTSU being used to attract particular types of Federal Government funding. Despite angry institutional criticisms of the overall directions of reform, most institutions including many major research universities were soon involved in a search for partners (Harman 1991). Apart from the use of incentives rather than centrally determined merger plans, various other factors contributed to the success of these efforts. In particular, the leadership by the Minister, provision of additional funds to assist with merger expenses and staff redundancies, and allocation of capital funding and additional funded student load to cooperating institutions were of considerable importance.

United States   Mergers have been used extensively in the United States as elements of restructuring efforts but more commonly as devices to build stronger and more viable institutions and to avoid closure of financially weak institutions (Millett 1976). In the public sector, mergers have occurred mainly amongst community colleges in order to build stronger units, with frequently independent community colleges being combined to form multi-site colleges. In the public university and state college sectors, a major trend has been combination of separate institutions into statewide, multi-campus institutions.

In the extensive private higher education sector, numerous mergers have taken place between small private liberal arts and specialist colleges. Most commonly the major driver has been the need to achieve financial viability and /or avoid closure. As already noted in some cases, adjacent mens' and womens' colleges have combined to form larger and more comprehensive institutions, better able to attract prospective students (Martin, Samels & Associates 1994). In a small number of cases,

adjacent private universities have combined to build stronger institutions with increased research capacity. On the other hand, many small private universities and colleges continue to thrive, provided they are financially and academically viable.

Other Merger Experiences   Many other countries have had considerable experience with institutional mergers. In a number of cases such as the Netherlands and Norway, the main effort has been directed towards problems of fragmentation in non-university sectors, with merger efforts having a minimum impact on established universities. In the Netherlands, the main effort was directed to reducing the number of separate HBOs and to creating larger and more comprehensive institutions (Goedegebuure1989). In Norway, as already noted, in the early 1990s, regional colleges were combined with specialist nursing and teacher training colleges (Skodvin 1999; Norgard & Skodvin 2002). Some 98 colleges were combined to form 26 new comprehensive colleges (Kyvik 2002).

In Canada the main efforts have been in rationalising teachers' colleges by their absorption into university faculties of education, and integration of independent specialist institutions into universities (Harman and Meek 1988). Developments in New Zealand have been somewhat similar, but the absorption of some teachers' colleges and polytechnics into universities came at a later stage.

More recently, a number of eastern European and Asian systems of higher education have addressed problems of fragmentation with highly specialised institutions under different ministries by working to build much larger and more comprehensive universities. In Hungary, for example, with World Bank support the Government sought 'eliminating duplication and achieving economies of scale' (Morgan 2000). The Government stipulated that mergers would be made on a geographic rather than a mission basis i.e., dissimilar institutions in particular geographic areas would be merged, rather than similar universities in different locations. In Vietnam, in the early 1990s specialist institutions were combined to form major universities, such as the Vietnam National University Hanoi and Vietnam National University Ho Chi Minh City.

In South Africa until recently mergers have been limited mainly to absorption of smaller specialist institutions (particularly teachers' colleges) into universities (Jansen 2002). However, more recently the national Government has embarked on extensive mergers in order to address two particular problems of the apartheid legacy – historically black universities experiencing enrolment declines and bankruptcies, and staff profiles of former white universities which still do not closely reflect national racial distribution (Reddy 1998). In February 2001, the National Plan for Higher Education announced that the Government would work to change the 'institutional landscape' through mergers and some months later a National Working Group recommended to the Minister extensive mergers of universities and technikons (polytechnics) that would have reduced the higher education sector from 21 universities and 15 technikons to 21 institutions (Ministry of Education 2001). Recently the South African Cabinet finally agreed to proceed with this plan, with minor modifications.

British and Australian Merger Stages

In both Australia and the UK, mergers appear to have followed a largely similar pattern since the end of the 19th century, as set out in Table 1. Possibly there would be merit in trying to elaborate on the sequence of mergers followed by different countries, particularly as it seems highly likely that systems and their bureaucrats learn from merger and restructuring experience. In the case of Australia and the UK governments through bitter experience learnt about the problems associated with compulsory or government mandated mergers and the desirability of using incentive systems.

Table 1: Dominant Forms of Merger Activity in Australia and the United Kingdom

Stages	Australia	Britain
1	Mergers used as basis to create major colleges	Mergers used as basis to create some new universities and major colleges
2	Mergers used as instruments to address problems of sub-system institutional fragmentation, and duplication in non-university sector. Number of independent specialist institutions drawn into universities or CAEs.	Mergers as instruments to address problems of sub-system fragmentation and duplication in non-university sector. Number of major specialist institutions drawn into universities, polytechnics or institutes of higher education
3	Mergers as policy instruments used to address problems of over-supply of teacher education places and relatively small institutions	Mergers used as policy instruments to address problems of over-supply of teacher education places and relatively small Institutions
4	System level restructuring with the use of mergers as key policy tool	Voluntary mergers of colleges, some universities, and London medical schools
5	Small number of voluntary mergers of universities with TAFE institutes	Proposed voluntary mergers of particular leading research universities

Spasmodic Nature and Uneven Distribution

Merger activity continues to be spasmodic in nature, with often one of more mergers being attempted and/or achieved within a higher education system over a relatively short space of time, to be followed by long periods of institutional stability. Similarly, merger activity has affected different higher education systems to different degrees. Some national systems such as Australia and Britain have experienced various intense bursts of merger activity followed by periods of considerable organisational stability. Other countries have been relatively unaffected by merger activity. In some systems, such as Norway and the Netherlands, merger activity has almost exclusively affected only the non-university sector, whereas in Australia, Britain, New Zealand and South Africa merger activity has affected both university and non-university sectors.

A range of different factors help explain the spasmodic pattern of merger activity and why the use of mergers has varied so considerably between different national systems of higher education. Three

are of particular importance: government policy and reform agendas, the structure of higher education systems, and external influences putting pressures of different sorts on higher education institutions.

Government policy and reform agendas includes policies with regard to size of institutions, preference for multi-purpose rather than single purpose institutions, budgetary policies, philosophies about steering of higher education systems, and particular reform agendas related to higher education. In turn, these are often influenced by government economic and social objectives, and philosophical positions about funding and controlling the public sector.

In Australia in the late 1980s, for example, mergers were just one of a number of elements of a major reform of higher education, undertaken as part of economic reform and restructuring of public sector management. The Government's objectives in higher education restructuring were to achieve increased efficiencies in order to help fund major student expansion, and enable higher education to contribute more directly to economic competitiveness. By abolishing the so called binary line dividing universities and CAEs, and through encouragement of mergers, the Government sought to create larger and more comprehensive higher education institutions, able to operate more competitively and deliver a wider range of courses to serve more diverse student population. Larger and more comprehensive institutions were thought likely to be more responsive to market pressures and easier for central government to monitor performance.

External influences can provide important pressures leading especially to voluntary mergers, or to institutions agreeing to follow government proposals. In the extensive American private higher education sector, numerous voluntary mergers have taken place over the past three decades between small private liberal arts colleges, with the most common driver being the need to achieve and/or maintain financial and academic viability. In numerous cases, institutions chose merger rather than accept the threat of insolvency. As already noted with changed philosophies about co-education, a number of church-related adjacent mens' and womens' colleges combined to form larger and more comprehensive institutions, better able to attract prospective students (Martin, Samels & Associates 1994). In a small number of cases, adjacent private universities have combined to build stronger institutions with increased research capacity.

The structure of the higher education system is also important. In essence, highly fragmented higher education systems, made up of numerous small institutions are likely to attract the attention of governments, especially those small specialist institutions that are located adjacent to one another and where there appears to be unnecessary course and academic program duplication. Institutions themselves are often more willing to enter into merger discussions if they are faced with increased competition for students and need major upgrading of facilities. Moreover, fragmentation becomes even more of an issue in non-university sectors which are moving towards full-degree courses or postgraduate courses.

New Directions with Mergers and Collaboration

Voluntary Mergers amongst Strong Institutions   A new trend of particular interest is that of strong universities seeking mergers in order to maximise opportunities in highly competitive environments. This phenomenon took place to some extent in Australia in the late 1980s and early 1990s, when a number of the leading research-intensive universities initiated mergers with CAEs in order increase their size and attract additional resources. In these cases, University Vice-Chancellors and their governing bodies took the view that increased size and resources would be advantageous in a more competitive environment in which the higher education system expected to enter.

More recent examples are to be seen in England and Hong Kong. However, unlike the Australian moves of a decade ago, the new direction in England and Hong Kong appears to be for leading research universities to seek mergers with other strong research universities, and do so primarily to attract additional research resources and increase their research competitiveness.   In England discussions have been proceeding over recent months about a number of mergers, with most interest being directed to proposals for the University of Manchester and the University of Birmingham to combine with nearby universities.   According to press reports, agreement has been reached on combining the University of Manchester with the University of Manchester Institute for Science and Technology (UMIST) while discussions in Birmingham still have not produced any agreement.

An even more dramatic and interesting move was the recent proposal from senior management at University College London and Imperial College to combine. These two institutions are usually ranked with Oxford and Cambridge in the top five research institutions on the basis of research achievements and quality, and attraction of research funds. The idea was to create a single, more competitive institution in central London that will be more effective in attracting research funds and working in technology transfer. Significantly, the Rector of Imperial College was recruited a couple of years ago directly from the post of head of a leading international pharmaceutical company. While in the end this proposal was rejected by University College a merger along these lines could well come on the policy agenda again.

In Hong Kong a similar combination is being proposed to combine the highly successful Chinese University of Hong Kong with the relatively new Hong Kong University of Science and Technology. The main proponent of this scheme is the former Vice-Chancellor of the Chinese University who recently became Secretary of the Department of Education with the Special Administrative Region.

New Forms of Collaboration and Linkage   Despite the fact that in many modern higher education systems competition is encouraged and has become an essential element of system steering, institutional collaboration is becoming more rather than less important, and is also taking on new forms. Three newer forms of collaboration and linkage deserve comment: new forms of collaboration

in teaching effort; research and technology transfer collaboration; and international collaboration for benchmarking and course delivery.

In a number of higher education systems, new forms of academic collaboration are emerging. In South Africa, for example, especially in three regions (Eastern Cape, KwaZulu-Natal and Western Cape), consortia have made important contributions to new forms of academic collaboration involving both universities and technikons (Gibbon and Parekh 2001). Joint academic departments or faculties are more difficult to organise but are attractive when participating institutions wish to achieve critical mass or combine resources to build stronger or more competitive academic units. Recent Australian examples include a co-joint graduate school of management in Sydney (between the University of New South Wales and the University of Sydney) and a combined graduate school of education (between Murdoch University and the University of Western Australia) in Perth. Joint academic departments work best when they are under-pinned by formal legal agreements.

Recent developments in university research, in university research links with industry and in research commercialisation are necessitating leading universities to work more closely together. Further, such collaboration is being encouraged strongly by governments and funding agencies. In the UK, for example allocations from the Challenge Fund which provides seed money for university spin-out companies have gone mainly to groups of universities rather than individual universities, while in Scotland the Scottish Higher Education Funding Council has contributed seed money for the universities to collectively establish three TCS centres, which aim to build links between university research (using the teaching company scheme model) and SMEs (small and medium enterprises).

Another new form of collaboration is that at the international level for benchmarking and for joint course delivery activities. The best known example is Universitas 21, a consortium of leading research universities in the UK, Australia, the US, Canada, Hong Kong, Singapore and China. Organised originally by the University of Melbourne, this group exchanges performance data for benchmarking and encourages different forms of academic and research collaboration amongst members. A sub-group of this consortium is working with a major international publisher with the aim to deliver credit courses internationally, largely on an electronic basis. This effort, however, has run into various difficulties and proved more difficult than anticipated.

Conclusions

Institutional mergers have been employed over recent decades by a surprising number of higher education systems and individual institutions. They have been used by a number of governments as major instruments of restructuring and as means of addressing particular problems including institutional fragmentation, non-viable institutions, and the need to strengthen academic offerings and programs. Institutions have used mergers to address external threats, and to ensure ongoing academic and financial viability. Recent and emerging trends point to important new developments, particularly with regard to the spasmodic nature of merger activity and its uneven distribution across

higher education systems, voluntary mergers amongst strong research universities, new forms of institutional collaboration and linkage, and the use of federal and unitary structures.

Over the past three decades an extensive and growing literature has been built up on institutional mergers, with the result that we now know far more about merger activity within modern higher education systems. Within higher education systems too there has been considerable institutional learning about what works and under what circumstances it does so. On the other hand, the literature is somewhat limited in that a great deal takes the form of case studies and much has been non-theoretical. However, this is now changing, with new groups of scholars entering the field and with new approaches and theoretical perspectives being adopted.

Mergers generally are highly disruptive processes. Frequently merger proposals are strongly contested, being seen by staff as threatening employment and institutional traditions and well-established procedures. Mergers are by no means a universal panacea to deal with problems of systemic fragmentation, course duplication and non-viable institutions. Neither are they the sole policy levers available to governments for system restructuring efforts. Indeed, experience across national higher education systems demonstrates that no single set of restructuring and collaboration/merger solutions suits all situations. At the same time, the clear international trend is away from small, specialist institutions towards larger and more comprehensive institutions, and from institutions operating on single sites or campuses to multi-site and multi-campus institutions. The dominant trend is also away from strongly independent institutions working almost entirely on their own towards stronger collaborative linkages between institutions. Further, well-conceived institutional mergers have the potential to produce longer-term benefits, particularly if they are well planned and sensitively implemented and if they have strong support from participating institutions and their staff.

References

Asmal, K (2002) *Press Statement by the Minister of Education, on the Transformation and Reconstruction of the Higher Education System*, Pretoria: Ministry of Education.

Department of Education (2001) *Report of the National Working Group to the Minister of Education*, Pretoria.

Eastman, J. & Lang, D. (2001) *Mergers in Higher Education: Lessons from Theory and Experience*, Toronto: University of Toronto Press.

Fielden, J. & Markham, L. (1997) *Lessons learned from mergers in higher education.* London: CHEMS Paper 17.

Gibbon, T. & Parekh, A. (2001) *Uncommon Wisdom: Making Co-operation work for South African Higher Education.* Sunnyside: Centre for Higher Education Transformation.

Goedegebuure, L. C. J. (1989) Institutional Mergers and System Change: Reconstructing the sector of higher vocational education. In P. A. M. Maassen and F. A. van Vught (Eds), *Dutch Higher Education in Transition: Policy Issues in Higher Education in the Netherlands*. Culemborg: Lemma.

Goedegebuure, L. C. J. (1992) *Mergers in higher education: A comparative perspective*. Enschede: Universitiet Twente.

Hatton, E. (2002) Charles Sturt University: A case study of institutional amalgamation, *Higher Education*, 44 (1), 5-27.

Harman, G. (1981) The Razor Gang Decisions, the Guidelines to the Commissions, and Commonwealth Education Policy, *Vestes: The Australian Universities' Review* 24 (2), 28-40.

Harman, G. (1991) Institutional Amalgamations and Abolition of the Binary System in Australian Higher Education under John Dawkins, *Higher Education Quarterly* 45 (1), 176-198.

Harman, G. (2000) Institutional Mergers in Australian Higher Education *Higher Education Quarterly*, 54 (4), 343-366.

Harman, G., Beswick, D. & Schofield, H. (1985) *The Amalgamation of Colleges of Advanced Education at Ballarat and Bendigo*. Parkville: Centre for the Study of Higher Education, University of Melbourne.

Harman, G. & Meek, V. L. (Eds). (1988) *Institutional Amalgamations in Higher Education: Process and Outcome in Five Countries*. Armidale: Department of Administrative and Higher Education Studies, University of New England.

Harman, G. & Robertson Cuninghame, R. (Eds.) (1995) *The Network UNE Experience: Reflections on the Amalgamated University of New England 1989-1993*. Armidale: Department of Administrative, Higher and Adult Education Studies, University of New England.

Harman K. (1989) Culture and Conflict in Academic Organisation: Symbolic Aspects of University Worlds, *Journal of Educational Administration* 27 (3), 31-55.

Harman, K. (2002) 'Merging Divergent Campus Cultures into Coherent Educational Communities: Challenges for Higher Education Leaders', *Higher Education* 44 (1), 91-114.

Jansen, Jonathan D (Ed.) (2002) *Mergers in Higher Education: Lessons Learned in Transitional Contexts,* Pretoria*:* University of South Africa Press.

Kotecha, P. & Harman, G. (2001) *Exploring Institutional Collaboration and Mergers in Higher Education.* Pretoria: South African University Vice-Chancellors' Association.

Kyvik, S. (2002) The merger of non-university colleges in Norway, *Higher Education* 44 (1), 53-72.

Lang, D. W. (2002) A lexicon of inter-institutional cooperation, *Higher Education*, 44 (1), 153-183.

Locke, M, Pratt, J., & Burgess, T. (1985) T*he Colleges of Higher Education 1972 to 1982: the central management of organic change*. Croydon: Critical Press.

Massingham, P. (2001) Australia's Federated Network Universities: what happened? *Journal of Higher Education Policy and Management* 23 (1), 19-32.

Martin, J., Samels, J. E. & Associates (1994) *Merging Colleges for Mutual Growth: A New Strategy for Managers*. Baltimore and London: Johns Hopkins Press.

Millett, J. D. (1976) *Mergers in Higher Education: An Analysis of Ten Case Studies*. Washington: Academy for Educational Development.

Ministry of Education (2001) *National Plan for Higher Education.* Pretoria: Ministry of Education.

Morgan, A. (2000) Reform in Hungarian Higher Education, *International Higher Education*, 19, 23-24.

Norgard, J. D., & Skodvin, O. (2002) The importance of geography and culture in mergers – a Norwegian institutional case study, *Higher Education* 44 (1), 73-90.

Reddy, J. (1998) *Regional Consortia, Partnerships, Mergers and Their Implications for Transformation of the South African Higher Education System*, Johannesburg: USAID.

Robinson, E. (1977) Mergers in Higher Education. In A. Knowles (Ed.) *International Encyclopedia of Higher Education*. San Francisco: Jossey Bass, 2822-2828.

Skodvin, O. (1999) *Mergers in Higher Education: success or failure*. Olso: Norwegian Institute for Studies in Research and Higher Education.

Temple, P., & Whitchurch, C. (1994) An International Perspective: Recent Growth Mergers in British Higher Education. In J. Martin, J. E. Samels & Associates (Eds.) *Merging Colleges for Mutual Growth: A New Strategy for Managers*. Baltimore and London: Johns Hopkins Press, 209-226.

Session 2

Japan

Mergers and Cooperation

of Higher Education Institutions in Japan

Takashi Hata

Hiroshima University

Full Text

Mergers and Cooperation
of Higher Education Institutions in Japan

Takashi Hata

Introduction

During the 1990s, countries all over the world, including Holland, Norway, Canada and Hungary, amongst others, implemented university mergers, as part of the international trend towards institutional reform in higher education. G. Harman (2002), who has pioneered research into institutional mergers in higher education, has identified the development of the synthesization, multi-campusization and cooperation of these merged institutes.

The Ministry of Education, Culture, Sports, Science and Technology (hereafter referred to as "The MEXT") in Japan published "The Structural Reform of National Universities" in June 2001. This report made the reorganization and merging of national universities a subject of government policy in three ways: by introducing private sector management techniques into the administration of national universities; by increasing competition between universities through assessment ratings; and by creating Centers Of Excellence (COE) by the distribution of special research funds. The purpose of this reorganization and merging is to safeguard the proper scope of the management body, and to fulfill and strengthen the academic research system. One result of this, was that in the 2003 MEXT's budget, ten single-faculty national universities were slated to be merged with other national universities located in the same prefectures. It was decided that the 99 national universities (as of 2002) would be reduced to 88 during 2003 (Table 1). In addition, it was proposed that teacher-training universities and faculties be reorganized and integrated. Gunma University and Saitama University are to be merged; North Tohoku's Hirosaki University, Akita University, and Iwate University are discussing reorganization and integration; the plan to merge Toyama University, Toyama Medical and Pharmaceutical University and Takaoka National College in Toyama Prefecture is now under consideration; and more than 60 national universities are said to be considering some kind of merger). Furthermore, in the Tokyo Metropolitan area plans have been announced to merge 4 metropolitan institutes of higher education; and in Hyogo Prefecture it was decided that 3 institutes of higher education would be merged to form a new university from April 2004. Even in the private sector, universities have started to implement amalgamations. This merging of universities may well spread widely across national, public and private universities, and it is anticipated that Japanese higher education in the 21st century will be reshaped through mergers.

While proceeding with plans for institutional mergers however, there has been no consistent policy, financial assistance, or legal framework developed by Government. In the case of teacher training universities and faculties, a committee set up at the MEXT has determined policies for reorganization and merging. However, specific consultation is entrusted to the initiative of each university or faculty, and no advice on the various problems which accompany mergers has been presented at all. Teacher training is a national responsibility, but regardless of the fact that the present policy objective of the MEXT is to train teachers up to graduate school level at teacher training universities, MEXT has not considered how to proceed if teacher training institutions are eliminated from the prefectures. The education faculties of Yamagata University and Fukushima University were among the first to be proposed for merger; they were to be abolished and merged with Miyagi University of Education. The governor of Yamagata Prefecture has recently opposed the merger resulting in calls for a policy review. In essence, the merger of Japanese institutions is being promoted without drawing upon the international research on institutional mergers. Early research into institutional mergers of higher education by Martin, J & Samuels J. E. (1994) was introduced into Japan by Kitamura Kazuyuki. Their research was centered mostly on private institutes of higher education and highlighted the importance of institutional initiative, a factor perhaps not being acknowledged during the present mergers of Japanese universities. However, it is becoming clear that if the government does not play a more active role in institutional mergers within Japan, then their effectiveness is likely to be jeopardized.

The research of Martin, J. & Samuels, J. E. (1994) and others considers not only the mergers, but also the diverse structures of universities, including alliances and cooperative initiatives. In Japan however, although alliances and cooperative initiatives have been gradually increasing, the policies and legal support to actively support such initiatives lag behind. Here too it is necessary to consider the role of the Government. This becomes very clear in the historical context.

Table 1: Mergers among National Universities in Japan

Participant Institutions **Name of a Merged University**	Process of Merger	
Yamanashi University & Yamanashi University of Medicine (YUM) <u>Yamanashi University</u>	Nov. 1998	Agreed to hold regular meetings on cooperation in teaching and research
	Feb. 1999	Started to exchange opinions on credit transfer, united graduate school and merger
	Mar. 2000	The Faculty Meeting of YUM agreed to merge
	Apr. 2000	The Council of Yamanashi Uni. agreed to merge
	May 2000	Both sides signed the agreement on merger
Tsukuba University & University of Library and Information Science <u>Tsukuba University</u>	Nov. 2000	Signed the agreement on merger
	Apr. 2002	Decided on objectives of merger
Kyushu University & Kyushu Institute of Design Unsettled (Expected to merge in Oct. 2003)	Jul. 2001	Signed the agreement on merger
	Aug. 2001	Set up the Council for Merger

Tokyo University of Mercantile Marine (TUMM) & Tokyo University of Fisheries (TUF) <u>Tokyo University of Marine Science and Technology</u>	Oct. 2000 Mar. 2001 May 2001 Jul. 2001	The Faculty Meeting of TUMM set up the Committee for cooperation (including the possibility of merger) with TUF Set up the Council for Cooperation between TUMM and TUF Report of the TUMM Committee Signing Ceremony of the agreement on merger
Kobe University & Kobe University of Mercantile Marine (KUMM) <u>Kobe University</u>	Dec. 2000 Jan. 2001 Apr. 2001 Jul. 2001	The Faculty Meeting of KUMM decided to start to discuss merger Faculty of Engineering and KUMM agreed on merger Set up the Council for Merger Signed the agreement
Kagawa University & Kagawa Medical University Unsettled (Expected to merge in Oct. 2003)	1999 Sep. 2001	Discussed credit transfer and joint use of facilities Set up the Council for Merger
Toyama University (TU) & Toyama Medical and Pharmaceutical University & Takaoka National College (TNC) Unsettled (Expected to merge in Oct. 2003)	2001	Presidents agreed to discuss merger. TU and TNC decided to merge.
Fukui University & Fukui Medical University Expected to merge in 2003	2 Oct. 2001 Feb. 2002	Exchanged notes of confirmation and set up the Council for Merger Concluded discussion
Shiga University & Shiga University of Medical Science Expected to merge in 2003	3 Aug. 2001 Feb. 2002	Signed the agreement and set up the Council for Merger Concluded discussion
Shimane University & Shimane Medical University Expected to merge in Apr. 2003	Oct. 2001	Signed the agreement and set up the Council for Merger
Kochi University & Kochi Medical School Expected to merge in Oct. 2003		
Saga University & Saga Medical School Expected to merge in Oct. 2003	19 Sep. 2001	Set up the Council for Merger
Oita University & Oita Medical University Expected to merge in Oct. 2003	1999	Started the credit transfer system and established PR center Merger is under considertation
Miyazaki University & Miyazaki Medical College Expected to merge in Oct. 2003	Nov. 1995 Apr. 2000 Dec. 2000	Agreed on academic exchange Agreed to consider cooperation or merger Started to discuss merger
Department of University Medicine in: Yamaguchi University & Miyazaki University & Kyushu University & Kagoshima University & Tottori University Faculty of Veterinary Medicine	Feb. 1997 Apr. 1997 Oct. 1997 Apr. & May 1998 Jan. 2000	The Association for University Standards released 'Standards for Veterinary Education' The Council for Veterinary Education started to discuss to reorganize four departments of Tottori, Yamaguchi, Miyazaki and Kagoshima Unis Four departments started to consider on establishing 'Faculty of Veterinary Medicine' in Kyushu University Four departments presented the prospectus for the establishment of Faculty of Veterinary Medicine, Kyushu University The steering committee on the establishment of Faculty of Veterinary Medicine was set up under the President of Kyushu University
Tokyo Metropolitan University	Feb. 2001	'Tokyo Metropolis Principles for University Reforms' suggested the merger of four metropolitan universities
Kobe University of Commerce & Himeji Institute of Technology & College of Nursing Art and Science, Hyogo Expected to open a new university in Apr. 2004	Dec. 2000 Apr. 2001	Prefectural Conference for University Reforms suggested on merger of three universities Set up the Committee for Reforming Prefectural Universities

History

In modern Japan, higher education institutions have undergone three periods of mergers. In each period, the mergers have been deeply connected to the development of the higher education system, and they have been linked especially to regional placement. In modern Japan, from the 19th century, the government has had a monopoly in the creation of universities and authority over granting approvals. Even if a public or private university has been approved under the Imperial Ordinance Relating to Universities of 1918, the government still retains the authority, over final approvals. The government did not entrust mergers of higher educational institutions to the initiative of the institutions themselves but rather placed it in the context of regional location, and the development of the higher education system. As a result, each change to the higher education has influenced the mergers of the subsequent period.

The Modern System of Higher Education – Mergers in the Foundation Period (1872 – 1921)

<u>The Improvement in Quality and Mergers of Educational Institutes</u>   With the introduction of the modern school system following the Meiji Restoration, in the 1870s, the central government, regional governments and the private sector established a great many schools. The scale and educational curriculum of these schools was very diverse, but in the 1880s the government adopted a policy of improving the quality of these secondary and higher educational institutions by means of mergers and closures of schools. In the case of the secondary educational institutions, because the Ministry of Education made the certification of ordinary middle school much more difficult in 1885, the prefectures abolished many public secondary schools, and pooled their funds to establish high quality public ordinary middle schools. Furthermore, according to the Imperial Ordinance relating to Middle Schools of 1886, because the public ordinary middle schools, which used local taxes as their source of revenue, were to be limited to one per prefecture, the number of secondary educational institutions decreased. In a few prefectures, there were plans to create substantial secondary schools from mergers, but these plans were never realized. The prefectures of that time were political units amalgamated from and based upon the feudal clans of the Edo Period. Antagonism between each old feudal clan was violent, and it was difficult to create a school from a merger whereby the benefits could be jointly shared.

In the case of higher educational institutions, mergers were adopted within a policy framework of quality improvement. The Ministry of Education merged the Tokyo Kaisei-Gakko, which it had established itself, with the Tokyo Igakko and founded Tokyo University (1877), which had the right to confer academic degrees. It took ten years to absorb all the higher educational institutions which had been created by each government office into the powerful Imperial University (1886). These institutions had managed to get by in times of financial difficulties, and transferred to the Hongo site in Tokyo, the old residence of the Kaga feudal clan. One of the reasons for promoting the mergers was that the national treasury had to pay the cost of the civil war, and the mergers would assist in

addressing the consequent financial crisis. Mergers have been implemented since the early stages of modern Japan as one way of creating powerful higher educational institutions within the available merger funds of the national treasury. However, as the example of the secondary schools shows, in order to implement mergers, the existence of political power that can accommodate the regional interests that go along with closures, and compensate for the benefits that are lost from an area, is indispensable.

In addition, the clear ideal for a university in this period was that of a simple campus on the outskirts of a town. In around 1877, the university creation plan of the government was to isolate the students from the brothel districts and other temptations of the cities, and away from political influence. The plan was to locate the university outside Tokyo and to establish the university on the outskirts of Chiba Prefecture. At that time, the only other institutions of higher education which had the power to confer degrees, Sapporo Agriculture College was modelled on Massachusetts Agricultural University, a Land-Grant College. In the founding period of the modern system of higher education, the image of a university that Japan adopted was created by the national Government, and was that of a multi-faculty university, where the faculty of literature, the science faculty and the medical faculty etc were all placed on one simple campus.

The Increase in Institutions of Higher Education, Mergers and Cooperation   In the process of establishing a modern system of higher education, the Government considered the regional location and distribution of institutions of higher education. The Government divided Japan into five school districts and decided to establish one higher middle school in each school district (1886). The Government founded several universities following the Imperial University in Tokyo, but there is no clear evidence that they had any plan for their regional placement. Rather, at the Imperial congress of 1890, the regional parties canvassed votes for establishment of higher education institutions as a matter of policy. By petitioning the Imperial congress, this had a big impact and put pressure on the government. The Imperial University of Kyoto was founded (1897) with the reparations gained from the Sino-Japanese War. This was followed by Tohoku Imperial University (1907), Kyushu Imperial University (1911), and Hokkaido Imperial University (1918). With the exception of Sapporo, these regions had been centers of urbanization since the Edo Period. The cities of Kanazawa, Nagasaki, Kumamoto, Okayama, Kagoshima and Yamaguchi, which all had higher secondary schools, were similarly placed because they were situated in centers of politics, economics and culture formed in the pre-modern age. So their higher education institutions developed naturally within the administrative hierarchy of Japanese higher education: the prefectures, the wide area block, and the nation. Even if each institution occupied a "vertical relationship" between universities and higher secondary schools, based on students advancing from one to the other, the horizontal relationship was extremely weak. Japanese universities do not have a history and tradition similar to European universities where the job

of university professor existed as part of a group of specialized jobs, based on guilds since the Middle Ages, and the degree, which is the core function of the university, could be carried out and conferred beyond each individual university. The system of higher education in Japan, which has been created by Government, lacks both the will and energy derived from alliances that go beyond the institutes. In consequence, the dispersed institutes are more likely to tend towards independence rather than alliances.

For example, Tohoku Imperial University in Sendai had a college of medicine in Sendai. By setting up a college of agriculture in Sapporo, 750 km away it could be said to create a sort of extended university. Kyoto Imperial University also did a similar thing, in setting up Fukuoka College of Medicine in Hakata, 660 km distant from Kyoto. Both colleges were established because of strong movements for the creation of universities, but were compromise measures because there was not enough revenue to form independent universities. Once founded, neither the local government and nor the college itself were satisfied with the fact that it was a "college" of the Imperial University, and started campaigning vigorously to become an independent university with several faculties. Thus this development of university organization during a growth phase encouraged independence rather than alliances, and co-operation.

As secondary education became more commonplace, and the demand for universities to expand grew, the concept that the general universities created by Government are in essence the only real "universities" becomes inadequate. In 1897, the rate of admissions to the rate of applicants to aspiring university educational institutions was 45.9% (1,350 out of 2,943 students), but 20 years later, it had worsened to 20.2% (2,181 out of 10,802 students). The government approved single-faculty universities under the Imperial Ordinance Relating to Universities (1918), approved prefectural and municipal universities, and drafted and implemented a higher education plan that established at least one national high school or national vocational college in each prefecture. The higher education institutions created through this plan have become the nucleus of the present-day national universities.

Mergers of Institutes of Higher Education in Wartime (1940's)   The numbers of higher education institutions such as universities and special colleges steadily expanded. In order to further the war in the 1940s, greater importance was attached training human resources for science and engineering. A policy of expanding science and engineering universities and vocational colleges, and of merging half of the private humanities universities and vocational colleges was put forward. This was the first occasion where Government suggested a merger in order to reorganise the higher educational system. However, in the event, only a few universities were merged: the Christian private universities Aoyama Academy, Meiji Academy and Kanto Academy became Meiji Academy Vocational College. There were also 16 cases of humanities vocational colleges being abolished and turned into science and engineering vocational colleges. At this time, mergers as a way of reorganizing the higher education system were unsuccessful.

Mergers in the Reorganization Period of the Modern Higher Education System (1948 – 1972)

<u>Unification and Mergers of Binary Institutes of Higher Education</u>   The reform of higher education that took place after the Second World War, under the American Occupation, gave birth to one university in each prefecture by merging the separate higher education institutuions such as the national universities, the national vocational schools and teachers colleges, which existed, as units of the administrative divisions of Japan.   This parallels the unification of binary higher education institutions through mergers which was to take place in the UK in the 1960s and in Australia in the 1980's.   Approximately 270 institutions were merged to make 68 universities (table 2).   The purpose of this was to reform the educational hierarchy, and to improve the quality of the schools by promoting vocational schools and teachers colleges which had been situated in a subsidiary position to universities as well as higher education.   A further aim was to guarantee opportunities for higher education by attaching greater importance to the regional location.

Table 2: Number of New-System Universities Established through Merger

The Number of Participants	National	Public	Private	Total
1	9	26	86	121
2	10	3	10	23
3	18	2	16	36
4	10	0	2	12
5	11	1	3	15
6	5	1	1	7
7	4	1	0	5
8	4	0	0	4
New	1	0	2	3
Total	72	34	120	226

Source: Terasaki (1969).

<u>From Formal Mergers (Mergers) to Substantive Mergers (Integration)</u>   At the time of inauguration of the new universities, the Ministry of Education was investigating five different types of university (*Tsujita Papers*):

   (1) Multi-faculty;

   (2) Duplex;

   (3) Consolidation of several government institutions;

   (4) Miscellaneous consolidation; and

   (5) Single-faculty.

The Shikoku Allied University which brought together national higher education institutions in the four prefectures of Shikoku Island, and the plan for Niigata University and Niigata Prefectural University of Agriculture are examples of the third type (consolidation of several government institutions). In the case of Niigata, the institutions mutually agreed to provide education, and an alliance was being considered, but it was never realized. Allied universities were never actually specified under the law, so if a famous university shared a single campus with another institution, it had no legal basis and therefore could not function as a university. Under the law, it was one university in name only. The functional legislation for a single administration and academic institution did not exist. Excluding only a very small number of universities such as Tokyo University and Kyoto University which were favoured by their location, and excluding that part of the new universities which had the old imperial universities as their nucleus, the faculties of each new university were dispersed. This hindered provision of general education and effective management and administration. General education, in particular, which had been introduced after the War, was characterized by extensive curriculum formation in each field: social sciences, humanities, and natural sciences: To have the faculty of each field on the same campus was clearly the most suitable arrangement. In 1951 the Ministry of Education formulated a plan "The Plan for Foundation of Campus of National Universities", and started preparations for the merging of 41 campus universities. This was not properly realized until 1964, when it became possible to establish treasury debts through the formation of a national university special accounting system. This made it possible to create sources of revenue such as long-term loans, and income from the disposal of property. By 2002, 33 universities had finally concluded mergers. There are still some universities that cannot merge, such as Yamagata University, and Shiga University, and there are some universities, like Kyushu University, which have now decided to undertake significantly larger scale merger activities.

Mergers and Reorganization in the Contemporary System of Higher Education (from 2002 Onwards)

Structural Reform and Reorganizational Mergers of National Universities   This paper will now discuss present-day mergers. At present, the merger plan for national universities put forward by the MEXT is formed by three policy initiatives: (1) Merger of teacher- training universities and faculties, the decreasing number of students, while increasing the number of professors in a merged faculty; (2) Merger of single-faculty universities (such as medical universities) with other universities, in the context of the intended expansion and development of specialist fields; (3) A drastic reduction in the number of national universities. In June 2001, MEXT reported on these policies to the Council on Economic and Fiscal Policy set up in the Cabinet Office (CEFP), and from then on, discussions regarding mergers flourished in the national universities.

MEXT next presented its policies on promoting mergers in November 2001.

The Reason for the promotion of reorganization and merging were identified as follows;

> Strengthening the base for research and teaching at national universities and creating universities with international competitiveness, and

> Securing the advantages accrued by the larger scale of incorporatized national universities largely the promotion of strategic management through the optimum use of resources.

Reorganization and merging is based upon the following goals;

> Radically re-examining the curriculum for general education, and the resources and process which accompanies it;

> Deepening and re-creating fields of research in the arts and sciences, exploring new fields, and strengthening the structure for the promotion of research;

> Linking the development of high level specialised staff with the development of the skills required to meet the needs of industry and society, i.e. strengthening the links between economic and industry development and higher education;

> Contributing to skill development within regions so as to promote regional development;

> Promoting cooperation and collaboration with industry;

> Advancing the careers and career aspirations of individuals within society;

> Strengthening the bases of management and management skills;

> Reorganizing human and material resources at individual universities for more strategic and effective outcomes; and

> Rationalizating common academic units and administrative office sections.

Reorganization and Merging aims to create universities with particular and special characteristics.

> An important element to be considered is geographical proximity. Nevertheless, institutions are encouraged to consider bold reorganization and mergers on a level beyond the prefecture boundaries, if there are educational and research advantages.

> Mergers should be not only between university units, but also between faculty units, and between neighbouring universities, including national and private universities. To achieve this it is necessary to consider the problems of strengthening cooperation and support, and regional transfer between such universities.

> It is necessary to deal immediately with teacher training universities and faculties, based on the Report of the Conference for the National Teacher Training University and Faculty (November 2001).

The promotion of reorganization and mergers incorporates the broad consideration of the role of each national university broadly.

> MEXT plans to give positive support and advice while respecting each university's autonomy and particular circumstances.
>
> It was planned to present general reorganization and merger plans, reflecting the circumstances of each university, in the 2002 fiscal year.

Focussing on national universities, discussions on merging began, based upon MEXT principles. A few merger plans have reached mutual agreement, and are to be implemented from the 2003 fiscal year. However, there is widespread opposition to both the ideology and organization of mergers amongst most universities, occasionally developing into local government disputation. Even where there is general agreement, when a separate institute upon merging becomes a faculty but does not move physically, it remains a matter of trial and error to see whether organizational unity can be realized. For example, in the case of the merger of Yamanashi University and Yamanashi Medical University, the number of teaching staff differed, so in order to develop consensus votes had to be weighted in order to elect the President. Consideration over what is possible through merging began only after the merger took place. Mergers have been consistently been used as a method of implementing government policy in higher education in Japan, but even after 50 years, the merging of national universities is still not complete, and case analysis and research on university mergers is almost negligible.

Added to this, the fact that merging has been entrusted to the initiative of each university can only encourage chaos.

Cooperation and Collaboration   The policy of improving quality in a period of cutbacks is a powerful incentive as merging involves not only substantial cost and risks, as well as the significant development of collaborative programs, but also the maintenance of the independent character of each institution in most cases.

Cooperation between Universities

Acceptance of credit transfer is well established in the national universities (99/99=100%, 2002), but less so in public (39/74=53%) and private universities (284/497=57%). Initially based upon agreements between only two universities, credit transfer has spread to groups of several universities with regional credit transfer, as well as regional alliances within programs other than credit transfer (table 3).

Table 3: Credit Transfer Systems

1. *Kumamoto District Credit Transfer System* (Apr. 1995) … Faculty of Law, Kumamoto Uni. / Faculty of, Kumamoto Prefectural Uni. / Faculty of Commerce & Faculty of Economics, Kumamoto Gakuen Uni.

2. *Agreement among universities of science and technology in Tokyo District* (Jan. 1996) … Shibaura Institute of Technology / Tokyo Denki University / Musashi Institute of Technology

3. *Tama District Credit Transfer System* (Apr. 1996) … Tokyo Uni. of Foreign Studies / Tokyo Gakuei Uni. / The Uni. of Electro-Communications / Hitotsubashi Uni.

4. *Kitakyushu District Credit Transfer System* (Feb. 1997) … Kyushu College / Orio Women's Junior College of Economics / Seinan Jogakuin Junior College etc.

5. *Wakayama Agreement of Three Universities* (Dec. 1997) … Wakayama Uni. / Wakayama Medical University / Koyasan University

6. *Chiba Prefecture Credit Transfer System* (1998) … 22 universities and 15 junior colleges

7. *Hiroshima Prefecture Council for Higher Education Institutions* (Apr. 1999) … 19 national, public and private universities in Hiroshima Prefecture

8. *Tohoku District Agreement* (Apr. 2001) … 13 universities and junior colleges in Tohoku District

Regional Cooperation and Collaboration

The University Consortium of Kyoto is one of the largest scale cooperative organization. In March 1994, 45 universities, and two local governments (Kyoto Prefecture and Kyoto City) took part in inaugurating the Kyoto University Center as the nucleus of the Consortium. Collaborative projects, mainly regional credit transfer between campuses formed its core, but since then, its work has expanded to collaborative lectures, international exchange projects, and work on information exchange and collaboration on researchers databases, work on education for citizens, and faculty development activities. In March 1998, it was developed into a foundation. It owns a campus plaza in front of Kyoto Station, encompassing six storeys above ground and one below (total area 11,600 square meters), and became a true model of university cooperation, including programs covering university education, extension projects, collaborative research, faculty development, university education research, and student exchange.

The ideology of the Consortium based upon consideration of the decline in the population of 18-year olds, is to ensure the survival of higher education institutions not through competition, but through collaboration, such as can be found amongst American university alliances. Kyoto City evaluates the university as a link in city planning, and reasons for its success are due to a general university policy that the local government has supported, including evaluation of the university in the region, the structure preparation in the city hall and the "University City, Kyoto 21 Plan".

Motivated by the success of Kyoto, two regional alliances were started in 2002 (NW – TAMA; arts and sciences, culture, industry Network Tama; and Tie-up-Hachioji, Hachioji industry public

cooperation system). The management of both is characterised by the inclusion of local government, industry, and other contributing organizations, as well as higher education institutions. (See Table 4)

Table 4: Regional Associations

1. *Tama Academic Consortium* (1999)

   Participants: Kunitachi College of Music Library, Tokyo Keizai University, Tsuda College, ICU

   Contents: Mutual Use of Libraries, Public Relations, and Credit Transfer

2. *Shizuoka West Higher Education Network* (1996)

   Participants: ten universities and junior colleges in Shizuoka

   Contents: Joint Class, Credit Transfer, Academic Cooperation, Citizen's College, Mutual Use of Libraries, and Public Relations

3. *The Consortium of Universities in Kyoto* (Mar. 1998)

   Participants: 49 national, public and private universities or junior colleges in Kyoto

   Contents: Credit Transfer, Joint Research, Database of Researchers, City College, Distance Education

4. *Sendai Academic Network of Credit Transfer* (Mar. 1999)

   Participants: 17 universities and junior colleges in Miyagi Prefecture

   Contents: Credit Transfer

5. *Kobe Academic City Council* (1999)

   Participants: 8 universities and junior colleges in Kobe

   Contents: Credit Transfer, Mutual Use of Facilities

6. *Tohoku Credit Transfer System for Prefectural Universities* (1999)

   Participants: 11 universities colleges in Kyoto

   Contents: Database of Researchers, Joint Symposium, Joint Research, and Sports Exchange

7. *Yokohama City Council for Academic Cooperation* (2001)

   Participants: 15 universities colleges in Yokohama

   Contents: Credit Transfer, Cooperation between industry and academia, and Joint Program for Qualifications or Internship

8. *Irodori-no-Kuni University Consortium* (15 Oct. 2001)

   Participants: 17 universities colleges in Saitama

   Contents: Exchange of Students, Regional Cooperation, Credit Transfer, Extension Lectures, Joint Course of General Education, Joint Program of Staff Development, Lifelong Learning Program and Distance Education

9. *Academic, Cultural and Industrial Network in Tama* (Jul. 2002)

   Participants: 48 universities, 10 cities and 31 companies in Tama Area

   Contents: Cooperation in Primary, Secondary and Higher Education, Lifelong Learning, Joing Research, Cooperation between industry and academia

10. *Tie-up-Hachioji* (Jun. 2002)

    Participants: 22 universities / junior colleges / college of technology, Hachioji City, Hachioji Chamber of Commerce and Industry, etc.

    Contents: Cooperation among local companies and higher education institutions

University Alliances

Alliance of the four universities; Tokyo Medical and Dental University, Tokyo Institute of Technology, Hitotsubashi University, Tokyo University of Foreign Studies, is attracting attention, as a new form of university collaboration emerges. This alliance, started in April 2002, established a "composite sphere course", an educational program that one university alone could not provide, but together two or three universities could provide. Transfer of students between university is accepted. The main collaborative work is the development of several new degree programmes.

Allied Graduate Schools

The only allied university system allowed by the law is provision of doctorate courses through allied graduate schools (table 5). In the higher educational system of Japan, measures for cooperation that go beyond individual universities are extremely rare. In this case, doctoral students belong to and study at a composite of the allied graduate schools, and management an administration is through appropriate independent committees (teacher qualification examining committee, doctoral thesis examining committee, entrance examination committees, self-evaluation implementation committees etc). Decision-making is the function of a board of representatives which meets almost every month, and three or four times a year a postgraduate committee examines theses, and makes administrative decisions such as admissions and expulsions from the school. However, there is no indigenous office organization, and the system is dispersed, making the burden of administration and management fairly substantial. There are some who propose that the alliance should change its name and reassert institutional independence.

Table 5: Allied Graduate Schools

1. *The United Graduate School of Agricultural Sciences, Ehime University* (1985)
2. *The United Graduate School of Agricultural Sciences, Kagoshima University* (1988)
3. *The Graduate School for Advanced Studies* (1988)
4. *The United Graduate School of Agricultural Sciences, Tottori University* (1989)
5. *The United Graduate School of Veterinary Sciences, Yamaguchi University* (1990)
6. *The United Graduate School of Agricultural Sciences, Iwate University* (1990)
7. *The United Graduate School of Veterinary Sciences, Gifu University* (1990)
8. *The United Graduate School of Agricultural Sciences, Tokyo University of Agriculture and Technology* (1990)
9. *The United Graduate School of Agricultural Sciences, Gifu University* (1991)
10. *The United Graduate School of Education, Tokyo Gakugei University* (1996)
11. *The United Graduate School of Education, Hyogo University of Teacher Education* (1996)
12. *The Institute of Physical and Chemical Research, Tokyo University of Science* (1996)

The Actual Situation and Theme of Mergers, Alliances and Cooperation in Modern Japan

Factors in Mergers   There are several diverse factors involved in the current promotion of universities. In particular, two opposing factors can be identified: "strengthening the university" and "cutbacks due to over-supply".

Factors

1. University education conforming to international standards (e.g. merging of courses in order to set up veterinary faculties)

2. Expanding the scale in order to deal with incorporatization of national universities (mergers of single-faculty universities)

3. Establishing general universities (mergers of single-faculty universities)

4. Dealing with a surplus of human resources including medical practitioners, veterinary doctors, schoolteachers etc (the merger of single-faculty medical universities, teacher-training universities and faculties)

5. Maintaining universities' independence and developing new educational programs and research projects (the alliance between the four universities in Tokyo)

6. Activation of educational research through cooperation between universities and industry, local governments, schools, and service towards the region (regional consortiums)

7. Effective application of the resources of the university

Suggestions and Themes from Overseas Experience in University Mergers

Can "Economies of Scale" Come into Play?   The MEXT states that merged universities can reduce their cost of common academic units and administrative office sections, promoting "economies of scales". However, opinions are divided among researchers on whether "economics of scale" can be indeed reached without compromising the academic integrity of the institution. It has been noted that expanding the scale of institutions, and creating large-scale institutes weaken the collegial feeling of the staff and students. C.Schumacher (1983) showed that an optimum sized university should contain between twelve and twenty departments and a total of between about 1,500 and 4,000 students. P.T.Brinkman & L.L.Leslie (1986) suggested that a simple linear relationship between size and cost was questionable.

On the other hand, most researchers agree that costs decrease as the size of students increases (OTFE 1997). One estimate of the optimal size for a university is approximately 10,000 students, it accepted, this number indicates that rather than merging existing large universities, it is more effective to merge and extend small-scale universities (Cohn, E., Rhine, S.L. and Santos, M.C. 1989).

However, within the present discussions over mergers, excluding the merger of Kyushu University and Kyushu Arts and Engineering University, there are no plans to merge campuses. With common education provision, it would be possible to merge Yamanashi University and Yamanashi Medical

University, which are ten km distant, Tsukuba University and Library Information University, which are almost on the same campus, and Miyazaki and Miyazaki Medical University (about 2.5 km). However in the cases of Kagawa University and Kagawa Medical University (about 10 km away from each other), Oita University and Oita Medical University (about 10 km distant), Fukui University and Fukui Medical University (about 15 km), Kochi University and Kochi Medical University (about 20 km), Toyama University and Takaoka College, Toyama Medical University (about 20 km), even if they are merged, it is a doubtful if they can be properly integrated.

In the cases of Shimane University and Shimane Medical University, (Shimane University is in Matsue City, Shimane Medical University is in Izumo City, about 40 km away), it would be difficult to implement a common education policy taking into account distance, and difficulties in administration and management can be predicted for even a simple organizational merger. It is unclear whether "economies of scale" would become evident in many of these cases.

<u>What are the Advantages of "Merging" Homogeneous Institutes?</u> Mergers can expand the educational program and broaden research projects. In mergers between fellow complementary institutes like humanities, social science and medical universities the multiplier effect is big. On the other hand, in the case of mergers between homogenous institutes, because it is possible to merge duplicate programs and administration, the possibilities for rationalisation and cost saving are also significant. Even for complementary mergers, MEXT has suggested retaining more of the existing staff rather than continuing with the current scale of proposed redundancy. The advantages of mergers of homogenous institutes are unclear.

<u>How to Overcome the Cultural Differences between Institutes before Merging</u> Each institute has its own history and culture, and mergers are a process whereby a new history is created (Harman & Harman, 2002), however, institutional and disciplinary cultures amongst teachers of basic and applied discipline like humanities, social sciences, natural science and engineering may be very different in different institutions, and therefore cultural unification is not always easy. In the case of higher education institutions, where their status and role may be different, this can cause particularly antagonism. For example, when Hiroshima University started out as a new system university in 1949, it was composed of diverse institutions: a university, vocational colleges, and teacher-training colleges. Because of the financial gap, the university was initially nothing more than a collection of faculties. Preparing for proper unification as a general university took 46 years, until it moved to Higashi Hiroshima City in 1995 and set up graduate schools in every faculty. Even if a merger takes place and diverse campus locations becomes the norm, overcoming cultural differences within the merged institutions remains a major problem.

How to Measure the Balance between the Initiative of the Institutions and the Role of the Government   If a merger is forced, one effect will be that staff morale will decline and stress will increase.   It is important to incorporate staff in the development of goals, processes and implementation of a long-term merger plan.   If the merger goes ahead without adequate discussion within the faculty, then an opposition movement is likely to form and obtain widespread support.   In some cases, this has led to the cancellation of merger plans.

However, because government has not clearly expressed sufficient guidelines and policies for merging, then any merger may become confused.   An example is provided by the merger between Tokyo Mercantile Marine University and Tokyo Fisheries University.   There was no prior agreement between the National Land and Traffic Ministry which has jurisdiction over sailor's qualifications, and the MEXT which has jurisdiction over the university.   This led to undue time taken to decide the name of the organization.   If teacher-training universities and faculties are abolished, supply of educational staff to the prefectures and the re-training of present workers may be interrupted.   The government has shown no measures to deal with this contingency so that discussions on the merger of universities can be realised.   Government support and initiative is imperative here.

How to Measure the Necessary Costs of Merging   When universities merge, it is necessary to invest resources and time in order to ensure the effectiveness of institutional restructure including staffing issues concerning the unification of the campuses.   In the short-term, there are no financial advantages.   In the 1950's the new system of universities in Japan started from the mergers of higher education institutions from different geographical locations.   It became evident that apart from a very few cases, it was necessary to move or merge the campuses over a longer period of time than anticipated.   In the case of Hiroshima University, acquisition of the site and preparation of the facilities alone cost 95 billion yen and took 22 years.   However, while committing these expenses, it is almost impossible to measure what cost advantages there are.   Even comparing the differences in operating costs – the cost of electricity and heating expenses before and after moving – is not simple.   If we consider the costs necessary for post-merger, then the cost effectiveness of a merger becomes more difficult to assess.

The Types of University Mergers   It is possible to divide institutional mergers into "homogeneous" and "complementary" mergers, and to use these descriptions to classify the various university mergers in Japan both past and present (Table 6).

For complementary coalitions and mergers in the same region, transfers from prefectural universities to national universities were implemented from 1950 until the beginning of the 1970s (Table 7).   From the subsequent contribution of these multi-faculty universities, it is possible to identify the advantages of the merger.   In these instances, the establishment of the new university's

identify has occurred with only a few residual problems.

For homogeneous mergers, such as Tokyo Mercantile University and Tokyo Fisheries University, the advantages of merging into a composite university from single-faculty universities proved to be substantial. Access was convenient to both campuses, both were located within the city and the only major concern was the extent of staff cutbacks.

The problem is that homogeneous mergers, apart from these concerning remote campuses, are proposed for veterinary and teacher-training universities and faculties. There are clear differences between veterinary faculties, and teacher-training universities and faculties. In the case of veterinary faculties, there is the requirement to complying with international standards for education veterinary both before and after merging. Additional concerns regarding veterinary medicine research with its deep roots in local industry, and regional issues reflected in opposition within the university and the local region, also require addressing.

A worst-case result would be the segmentation of teacher-training universities amongst prefectures would become a feature, not only across the system of higher education, but also the whole of the public education system.

Table 6: Patterns of University Mergers

	Heterogeneous Institutions		Homogeneous Institutions	
	same area	remote area	same area	remote area
Absorption (One institution is absorbed into another one)				Research Institute for Theoretical Physics, Hiroshima Uni. ? Yukawa Institute for Theoretical Physics, Kyoto Uni. (1992)
Incorporation (One institution is absorbed into another one as a unit)	1. Transfer of prefectural universities to national authority (1950-72) 2. Tsukuba Uni. + Uni. of Library and Information Science 3. Kyushu Uni. + Kyushu Institute of Design 4. Kagawa Uni. +		Kobe Uni. + Kobe Uni. of Mercantile Marine	Normal Universities
Integration (More than two institutions come into another one)	1. New-System Universities (1949) 2. Okinawa International University 3. Toyama Uni. + Takaoka National College + Toyama Medical and Pharmaceutical Uni. 4. Yamanashi Uni. + Yamanashi Uni. of Medicine		Tokyo Uni. of Mercantile Marine + Tokyo Uni. of Fisheries	1. Establishment of the faculty of veterinary medicine at Kyushu Uni. 2. Normal Universities
Corporation (More than two institutions come into another one with each corporate identity)				1. United graduate schools (Agriculture, veterinary medicine, teaching) 2. United law schools

Table 7: Incorporation of a College into a University Faculty

Gifu Prefectural Technical College   Faculty of Engineering, Gifu University (1949)

Shizuoka Prefectural Agricultural College   Faculty of Agriculture, Shizuoka University (1950)

Ibaraki Prefectural Agricultural College   Faculty of Agriculture, Ibaraki University (1950)

Tokyo College of Veterinary Medicine and Animal Husbandry   Faculty of Agriculture and Veterinary Medicine, Nihon University (1952)

Chuo Rodo Gakuen College   Faculty of Social Sciences, Hosei University (1952)

Hiroshima Prefectural Medical College   Faculty of Medicine, Hiroshima University (1953)

Ehime Prefectural Matsuyama Agricultural College   Faulty of Agriculture, Ehime University (1954)

Kagoshima Prefectural College   Faculty of Medicine and Faculty of Engineering, Kagoshima University (1955)

Osaka City Medical College   Faculty of Medicine, Osaka City University (1955)

Kagawa Prefectural Agricultural College   Faculty of Agriculture, Kagawa University (1955)

Gifu Prefectural Medical College   Faculty of Medicine, Gifu University (1964)

Kobe Medical College   Faculty of Medicine, Kobe University (1964)

Yamaguchi Prefectural Medical College   Faculty of Medicine, Yamaguchi University (1964)

Shimane Prefectural Agricultural College   Faculty of Agriculture, Shimane University (1965)

Hyogo Agricultural College (Prefectural)   Faculty of Agriculture, Kobe University (1966)

Mie Prefectural College   Faculty of Fisheries and Faculty of Agriculture, Mie University (1972)

Matsudo College of Dentistry, Nihon University   School of Dentistry at Matsudo, Nihon University (1976)

Conclusion

It is difficult to predict the organizational changes of that may occur in the universities before, during and after a merger. However, the time and financial costs that go along with mergers can be anticipated, it is possible to avoid some of the pitfalls, perhaps by considering a scheme of looser combinations such as alliances or cooperation.

In spite of this, however, there exist almost no rules for the management of allied or cooperative universities in Japan. In addition, the incorporatized system of national universities currently under preparation, attempts to strengthen the system of management which has the president at the center. There are also attempts to promote the competition and survival of the university as an individual unit, rather than through alliances or cooperation. The rules governing university education are also impeding cooperation between universities. For instance, several degrees acquisition programs of the Alliance of the four Universities   Tokyo Medical and Dental University, Tokyo Institute of Technology, Hitotsubashi University, Tokyo University of Foreign Studies   are being impeded by

the policies of the MEXT, which say that the degree can only be issued by one organization, and that the student must pay the entrance fee for two universities. In other words, the growth of university alliances and cooperative ventures has just started, without adequate preparations and support from Government.

An important problem is the relationship between the new university and the local community. In Japan, one of the reasons that institutions of higher education are widespread and highly developed is that even in the case of national universities, the local community has demanded an institution of higher education in that area. The national universities are closely bound to the training and development of human resources and skill required by the local economy and culture, and mergers potentially dismantle this relationship. Policy development is required to address this issue.

What is evident, however, is the following. The mergers of national universities are not simply a way to create new and possibly more powerful universities, but also a means of the reorganization of the higher education system in Japan. This places higher education at the center of political interests, including the regional positioning of higher education institutions.

Notes and References

1. In December 2003, the plan to merge Gunma and Saitama was delayed because faculty of education in Gunma University opposed absorption into Saitama University.

Brinkman, Paul T.& Leslie, Larry L. (1986), "Ecomonies of Scale in Higher Education: Sixty Years of Research", *The Review of Higher Education*, Vol.10-1.

Cohn, E., Rhine, S.L. and Santos, M.C. (1989) 'Institutions of higher education as multi-product firms: Economies of scale and scope', *The Review of Economics and Statistics, Vol.71.*

Office of Training Further Education (1997), *"Institutional Amalgamations in Post-Secondary Education and Training: Review of Literature and Annotated Bibliography - Paper 7*

Harman, Grant & Harman, Kay (2002), *Institutional Mergers in Higher Education: Lessons From International Experience,* unpublished.

Harman, Kay & Meek, V. Lynn (2002), "Introduction to special issue: Merger revised: international perspectives on mergers in higher education", *Higher Education Management and Policy*, Vol.14-1.

Hata, Takashi (1999), *The Policy of Decline for Higher Education: Focusing on the Changes from 1990's Onwards, Bulletin of Graduate School of Education Hokkaido University*, vol.85.

Lang, Daniel(2002).'There Are Mergers, and There Are Mergers: The Forms of Inter-institutional Combination',*Higher Education Management and Policy, Vol.14-1.*

Martin, J. & Samels, J.E. (1994). *MERGING COLLEGES FOR MUTUAL GROWTH*

Norgard, J. Dahl & Skodvin, Ole-Jacob (2002).'The importance of geography and culture in mergers: A Norwegian case study', *Higher Education*, Vol 44-1.

Sato, Yuzuru (1983), Nihon no Gakko Kenchiku (School Architecture in Japan), Bunkyo News Publisher.

Schumacher,C. (1983), The problem of scale in higher education, *ECONOMIES OF SCALE in Higher Education*, Sinclair Goodlad (ed.).

Terasaki, Masao (1969), *Sengo Nihon no Kyoiku Kaikaku 9 (Educational Reform After the W.W.   )*, Todai Shuppankai (University of Tokyo Press).

Session 3

Australia

International Cooperation and Exchange

of Universities in Australia

Richard H. James

University of Melbourne

Oral Presentation

International Cooperation and Exchange
of Universities in Australia

Richard H. James[*]

Thank you very much for the opportunity to address the seminar.   My paper is a little different from the two presentations we've had so far today because I'm going to look at international cooperation and collaboration in particular.   I'm going to show you some examples of how Australian universities are involved in new forms of international cooperation and collaboration.   And I believe you'll find the developments very interesting for they present a number of challenges for policy as you will see.   To begin with, I want to explain why internationalization or globalization is a significant policy issue in Australia, for individual institutions and for the system as a whole.   The case of Australia is of particular interest because there is a convergence, or coincidence, of a number of factors that have encouraged and supported internationalization and created a particular form to the strategies for international cooperation.

In my presentation today I'd like to do five things.   Firstly, I'd like to summarize the factors that have influenced internationalization in Australia.   Second, I'd like to explain the background to why Australian universities are so active on the international scene by explaining how the Australian system was transformed in the 1980s and 1990s — I'll do this very briefly because Grant Harman has mentioned some of that this morning and I think Kay Harman will do more tomorrow.   Third, I'd like to look at the character of international education, in particular the extraordinary growth in international education.   Fourth, I want to turn to three very practical examples of the new character of institutional relationships that are merging internationally.   I'd like to introduce you to three differing forms of cooperation and collaboration in which Australian universities are engaged on the international scene.   And finally, I'd like to offer a brief analysis of some of the implications and some of the issues behind these trends.

So, to begin with, a summary of the Australian context.   The Australian context has been particularly supportive of internationalization or globalization.   I'd like to identify the factors that I think are closely related to this.   Firstly, for the best part of a decade or more we have had not a national policy framework that is very supportive of institutional and systemic internationalization.   Second, we also have developed in Australia an excellent national reputation for the quality of our higher education system and an excellent national reputation for our quality assurance framework.

---

[*] Associate Professor, Centre for the Study of Higher Education, The University of Melbourne, Australia

I'll explain more about that in a moment. The third factor affecting internationalization is that our universities are very entrepreneurial in character. Even though they are public universities, in the main part, they act very much like private universities and in some ways are very business-like. They also can act rather independently and autonomously even though government has influence over universities. Our universities are free to act somewhat independently. The fourth factor is of major importance — public revenue for Australian higher education on a per capita student basis has been steadily declining, rather dramatically in fact throughout the 1990s, and there has been enormous pressure on universities to seek alternative sources of operating funds. This is a major reason for our efforts in international education. The fifth factor is that our universities, as I'll explain in a moment, are now quite large and they generally have a very strong capacity for central decision-making and planning to support a push into international education. The sixth factor — in Australia we've become quite confident about our capacity to sell international education. And that confidence in part has arisen from the extraordinary growth and success in selling Australian higher education to international students, in the main part from South East Asia. And the final factor is that we have a national history of distance education provision. So we have expertise in the delivery of education — either by print and mail, or through the newer forms of online learning. What I'd like to argue in my paper today that is that these seven factors, when they come together, explain much of the reason for the international character of Australian education and the new trends which are emerging.

I'd just like to spend a few moments to explain how we got to this point, how Australia set the scene for a very rapid transformation of the higher education system. Firstly, to remind you of some simple characteristics of the Australian higher education system. It is a largely public system. Our universities are public universities. We do have some private providers, but in total they really only teach a small proportion of the nation's students. As I've mentioned, our universities, while under the indirect influence of federal policy, have considerable autonomy and discretion of the ways in which they use revenue. They accredit their own courses and are able to employ their own staff. So universities are in a position of considerable discretion when it comes to the decisions they might make about programs they offer and where they might offer them.

As Professor Harman mentioned, we went through a very rapid period of merger, amalgamation and affiliation back in the late 1980s. That process was extremely rapid in comparison to the processes of merger that Professor Hata described in the Japanese context. I'm not going to discuss that process because it's not the focus of my paper. What is important about it however, and believe Professor Harman mentioned this, is that it has created universities with a set of characteristics that have enabled them to push their activities into the international arena. And these characteristics include the fact that they're now, generally speaking, very large institutions. Close to half of our universities in Australia have over 20,000 students. For a small nation these are universities of quite a large scale. They're also cross-sectoral. By that I mean they offer not only higher education but also vocational education training. It's one of the unusual aspects of the Australian system — most

of our universities offer vocational and technical courses of some kind. They are multi-campus and they are close to comprehensive, in most cases. And as I mentioned a moment ago, on top of all of this, we now have very strong and well-resourced decision-making, planning and administrative cores. Universities can engage quite vigorously in developing marketing plans, student recruitment plans and plans for providing their services. Finally, one of the reasons that they have become aggressive in trying to sell international education is that the government revenue has gradually dwindled in Australia. So much so that a typical Australian university these days might only receive somewhere between 40 to 50% of its income from government funding. Professor Harman, that would be a rough estimate?

That's right. That's the regular government funding for the basic functions of the university. It doesn't include special research grants. That's right.

Now this 40-50% has come down from perhaps 80% in the early '80s. It's a dramatic shift in a period of 15-20 years.

I'd like to now explain to you the international character of Australian education. I think it's quite a surprising story. The first thing to note is that we have about 150,000 international students being taught by Australian universities. Bearing in mind that Australia is a very small nation with a small higher education system, these students make up close to 1 in 6 of the students who are studying in Australian universities. Now that figure is a national average — it varies considerably from university to university and from course to course. In some Australian courses in certain fields of study, over half the students in the course might be international students. Two thirds of the international students who enrol in Australian higher education are studying onshore in Australia. But one third, close to 50,000, actually undertakes their programs offshore. The growth has been running about 15% per year. The growth has been so rapid that Australia, believe it or not, is now the third largest provider of international higher education in the world, behind only the USA and United Kingdom.

The reasons for our success in marketing higher education in South East Asia are many. Obviously, there is our proximity to the source countries. There is also the belief that Australia has a safe and secure environment in which young people are able to study. There's generally confidence in the Australian higher education system as being a government-sponsored, government-endorsed education system based on Western principles, if you like — this is, it seems, very popular in our source countries. And, finally, not least, it is relatively inexpensive for students to come to Australia and study, given the unfortunately, low value of the Australian dollar these days. It's relatively inexpensive for families in Asia to send their young people to study in Australia.

But things are starting to change, particularly in terms of the nature of our delivery. In the past, we have focused on on-shore delivery in Australia but the new trends are really to do with the other modes of delivery that are recognized by GATS. The foremost, with which many of you have been familiar with, is Mode 1, which is cross border supply. Mode 2 is consumption abroad which has

been the predominant pattern in Australia.   Mode 3 is an organization having a commercial presence in another nation, and that's one which I want to focus on in a moment.   And Mode 4, movement of natural persons.   The new areas of activity have clearly been in Modes 1, 3 and 4.

The Australian government has put in place a national policy framework to support the growth and to monitor the quality of international education that is generally believed to be one of the best frameworks in the world.   I'd like to mention just four the aspects of the quality assurance framework which have directly and indirectly supported the efforts of Australian universities to internationalize. The first is The National Protocols for Higher Education Approval.   Basically, these are a set of criteria for an organization that wishes to call itself a university.   These criteria specify what you must be able to do and demonstrate if you are to be accredited as a university.   The National Protocols have been very important in excluding organizations that do not offer suitable standards of teaching and research.   The second aspect of the national framework is that we have a Qualifications Framework which articulates standards across different levels of achievement for vocational educational training and for higher education.   Third, for the last two years we have had a new national quality body known as the Australian Universities Quality Agency.   It is established to monitor and report on quality assurance in Australian universities and is conducting audits of all Australian universities on five year cycles.

The fourth aspect of the national policy framework is very important.   We have a national register of providers of higher education for international students and a register of all courses.   There is also a fund to guarantee the continuity of tuition should a particular provider not be able to complete the teaching of a course.   In other words, if a private university or a public university collapses and goes bankrupt, the government has a fund that will guarantee the continuity of tuition for students who are in that particular institution.

Well, as is clear I hope from what I've said so far, the growth in Australian higher education in the international arena is a great success story.   It has become an extremely important business for Australian universities.   I really want to stress this: Australian universities depend financially on international higher education.   It is a very important source of revenue.   But there are some possible negative aspects.   First, from a business development perspective.   If you look at the situation from a business perspective, there might be some worrying signs because the business is a little narrowly focused.   The demand is basically in the two major capital cities.   The supply is concentrated within the two major capital cities of Melbourne and Sydney.   More particularly, the demand is heavily biased towards two fields of study.   They are Business Education and Information Technology Education.   There is some good demand for engineering courses as well.   But by and large our international market is in two fields of study.   And this has certain consequences that I'll mention in a moment.   Furthermore, perhaps to a lesser degree, our market is not truly international. It has really focused on the main part on, in Malaysia, Singapore and Hong Kong, although there is now major growth in China.   The projections are that China will eventually become the largest

market for Australian higher education.   Interestingly, 85% of our international students are estimated to be ethnic Chinese.

There are also concerns from an educational perspective, and this is what I alluded to a moment ago. The demand for business and information technology has distorted the allocation resources within Australian universities.   By this I mean that we now have some very wealthy faculties, faculties that are teaching business or information technology.   Unfortunately, we have some relatively poor faculties, in the Arts and to a lesser degree in the Liberal Sciences.   We have faculties which are doing well and others which have relatively small budgets with which to run their educational programs.   Another possible negative aspect is that a number of studies have shown that international students are not always fully integrated into the academic and social life of the university.   These are findings which are not uncommon.   Internationally, we have seen research of this kind in a number of nations.   I think there's still a major challenge for us in Australia to sort out how we can better help international students be fully integrated into the campus life, along with domestic students.

There are also growing concerns from a quality assurance perspective.   I've simply chosen one example here simply because it's the most recent.   Only last week, the Australian University's Quality Agency audit report was released on the University of Newcastle, which was Professor Keith Morgan's former university.   I apologize for choosing this one, Keith!   Overall, the report on Newcastle as a university was very positive.   But there was one area where the university received quite strong criticism from the auditors, and this was to do with the quality assurance of international activities.   In particular, the Audit Panel recommended a robust process of due diligence for partners and agents.   The main source of criticism from the Quality Assurance Audit Committee was that the university was not good enough in checking on the quality of its international partners in delivery.

Now that's the background.   This brings us to what I think is the more interesting part of my presentation.   There is certainly some evidence of new trends to do with international cooperation that have sprung up in Australia in the last year or two.   What we are seeing are whole-institution strategies, university wide strategies for international cooperation and the emergence of what I've termed 'internationally networked universities'.   I'm going to show you two examples of these.   The interesting aspect of this trend is that these new initiatives are often set up with a quite explicit business objective in mind.   The business is the delivery of transnational education, often by online techniques.

So what I'd like to do is show you three examples, three case studies of what's going on in Australia to illustrate my point about the new trend in internationalization.   And I want to stress before doing so that these are all examples of the voluntary activities of Australian universities. These are not initiatives which have been driven by an explicit government policy directed, although they are indirectly supported by a policy framework, but Australian universities have themselves become very entrepreneurial.   The first example is Monash University.   Monash is one of Australia's largest, if not Australia's largest, university.   And Monash deliberately describes itself as a

'global university'. Monash articulates three forms of global activity. Monash has partnerships, the typical bilateral partnerships such as Grant Harman has described earlier in the day. Monash has a partnership with the University of Hong Kong for instance, for the delivery of particular courses. Monash also has a much broader partnership with King's College London, which is not only for teaching purposes but also for research purposes I believe. Very importantly, Monash has actually established physical campuses in two other overseas locations. One is in Kuala Lumpur and one is in Johannesburg. Monash intends to make profit from those two international campuses. These are business ventures in the truest sense of the word, although it is also fair to say that Monash is also committed to opening up access to higher education in places in the world where there is unmet demand for higher education. And, finally, Monash also has smaller centers. One in London, and one in Prato, Italy. These are of less interest to us today because they essentially are small — helping with staff and student exchange and things of that kind. Monash is impressive in terms of the number of activities in which it's engaged in internationally, the wide global reach of those activities and — what makes Monash particularly interesting — its commitment to physically locating its activities in other countries, that is, building overseas campuses.

I'd like to turn now to international cooperation of a quite different kind and this is a group that calls themselves Global University Alliance. It's comprised of eight universities in Australia, New Zealand, Canada, the USA and Europe. Two Australian universities are members of this alliance, Royal Melbourne Institute of Technology (RMIT) and the University of South Australia. The eight universities have one thing in common. They are all universities with a largely technological background or orientation. They work with vocational, applied, practical programs. Now the objective of GUA is ambitious. It is to be the premier global provider of flexible, accessible, high quality university accredited education, which it plans to provide online and through the network of teachers that it has in its member universities. At the moment, its courses are only in English preparatory courses, foundation courses for students who later wish to study English and also in business and information technology. Significantly, the Global University Alliance is indeed an alliance. The alliance as a whole does not accredit courses itself but it relies on the accreditation and the quality assurance of the individual member institutions.

Third case study is the one that I think you will find very intriguing and many of you will have already heard about this of course. This is a consortium of 17 research intensive universities that is known as Universitas 21. The Australian universities in this, consortium are the University of Melbourne, the University of New South Wales and the University of Queensland. Universitas 21 has three levels of activity that it defines. The first is *collegial*, such as staff and student exchanges and the normal kind of cooperation individual academics engage in. The second level is *collaborative*, which is to do with activities such as benchmarking — some of the more traditional forms of institution collaboration that we've seen for a number of years. It's the third level of activity that really is quite new and that is the *entrepreneurial* level, as they call it or perhaps more

bluntly but accurately, this is the business level of activity. And it works like this. Most of the Universitas 21 partners have engaged in the formation of an online learning university that has been called Universitas 21 Global. It is a joint venture with a major international publishing company known as Thomson Learning. Thomson Learning is a 50% shareholder in the venture and the participating university in total make-up the other 50% of shareholdings. There's quite a lot that I could tell you about Universitas 21 but we don't have time today. But I will try to give you some impression of what it's trying to achieve. It is a teaching university only. There are no plans for Universitas 21 Global to do research. It is basically interested in providing an online education for what is seen to be a growing demand for programs of that kind. So its goal is to provide premium quality education and, importantly, a portable qualification for its students. Its first programs are to be in — no surprise here — business and information technology. These are planned to commence quite soon actually, and will be postgraduate programs. Universitas 21 Global sees its market as mid-career professionals, perhaps in the age bracket 30-40, who are seeking career advancement through a second postgraduate qualification. Universitas 21 Global is going to provide online learning resources, online tutorial groups so that students meet with other students and, and teachers online, and assessment at designated assessment centers that are based around the world. Significantly, the course content and the teaching materials are not being developed by the participating universities. They have been purchased 'off the shelf' from existing resources and Thomson Learning is the partner responsible for the development of these resources. This creates, I think, a very interesting situation to do with the nature of knowledge and its origins in universities. Universitas 21 Global has a very clear plan for quality assurance. Quality assurance is going to be handled through the partner universities. It's been done through an independent body called U21 Pedagogica. U21 Pedagogica is to offer academic quality assurance for the content and delivery of the programs.

The U21 Global initiative is a major change, it seems to me, in the nature of higher education delivery on the international scene. Universitas 21 Global eventually aims to target India and China as its main markets. It believes that there will be extraordinary levels of unmet demand in most countries within the next decade. If it is successful, it plans to move into undergraduate education as well as postgraduate education. I think there are very interesting questions here about the nature of what is a university as Professor Morgan was alluding to this morning. What makes Universitas 21 Global a university, I'm not too sure. I'll be interested in your comments on that. Can I simply add from a University of Melbourne perspective, that many of the academics in the participating universities have been concerned about this development and critical of it? But it says something of the, the new entrepreneurial character of our universities that these proposals for a commercial venture of this kind have successfully passed through university councils despite the reservations and concerns of many academic staff.

If I could finish with some comments, very briefly, by way of analysis. I think, looking back to

Professor Harman's paper, there is a need to re-examine the new forms of alliance, the new forms of collaboration that perhaps are not identified by the previous analytical frameworks. I've merely sketched today some of the features which I believe characterize the new, networked university:

The first is that the larger universities in Australia seem to believe they now need to have global reach and influence. The reason for this, I suspect, is that Australia, being so small, sees itself as perhaps vulnerable to the forces of globalization. And many Australian universities have moved quite quickly to protect their international markets. Participation in an international network is seen as one mechanism through which Australian universities feel they won't get swept away by a tide of globalization.

My second point is that benefits are usually thought to arise from having multiple partners, geographically dispersed around the world.

Third, these are truly relationships at the whole university level. They are not about cooperation between departments or between faculties. They are whole university alliances or ventures. And often they are with universities that see themselves as having similar aspirations and profiles.

Fourth, the interest is in highly tangible outcomes, if I can call it that. The universities are interested in making profit from ventures of this kind. While there might be an element of community service involved, there is certainly a profit motive as well.

Finally, these relationships are definitely intended to run for a long time. The Universitas 21 Global venture, for instance, will be many years before it can turn a profit and the partner institutions are committed to their participation a long period of time.

Finally, I'd like to briefly mention some areas for research. The first is the new character of quality assurance arrangements. Particularly with the international consortia that I've described, it seems to me that the national based quality assurance arrangements are not really applicable for the new forms of international delivery that Australian universities are engaged in. As you will recall, I showed you earlier the national policy framework for Australia. But most of the activities of Universitas 21 Global, for instance, operate well outside this national policy framework — it barely touches the U21 activities. There is a good deal of work to be done to understand how quality assurance can be conceived in these new settings now that we're no longer clear about 'provider nations' and 'recipient nations' as we once were. The second area for investigation has to do with institutional governance. Governance models and practices are established with a representation designed to serve the interests of a nation or a regional community. The composition of university councils and senates reflects certain beliefs about the constituency that is being served by the university. I think there are very serious questions to be asked about whether governing bodies, senates and councils, really understand the needs and the developments in the other nations in which

higher education is being offered and delivered. I think this is a particular issue for Monash University, given the examples of its international activity that I showed you a moment ago. There are also a number of issues to do with whether or not our academic staff in Australia really has the capacity to not only engage in cross-cultural teaching, but also to engage in online delivery, which requires a particular set of skills. The roles of academic staff change dramatically once they become involved in programs of this kind. Academic staff are being asked to be creators of learning resources.

Finally, I would like to note that we know little as yet about the commercial viability of some of the international cooperation. I must say prospects are not good. All of the claims for potential profit from new online learning ventures haven't really come to much. I have yet to see strong evidence of any online learning university that has genuinely become a profit-making venture. The partners involved in the case studies that I have shown you are well aware of the commercial riskiness of their ventures. But they believe that with the convergence of globalization forces and the new forms of information and communications technology, some commercial ventures in higher education are soon to make successful breakthroughs.

I will finish by saying that I believe my paper is a nice contrast to the ideas and theories in Professor Harman's and Professor Hata's papers. I think it's true to say that Australian universities these days are now less interested in domestic mergers and amalgamations, but more interested in developing international networks. Thank you for your attention.

Full Text

Institutional Cooperation from the Perspective
of the Internationalisation and Globalisation of Australian Higher Education:
International Degrees, Consortia and On-Line Education

Richard H. James

Introduction

At the invitation of the seminar organisers, this paper presents an Australian perspective on cooperation among higher education institutions focusing on selected internationalisation issues, including the emergence of international consortia and the provision of on-line transnational education. The analysis is an overview of recent developments and areas of concern, rather than a detailed examination of a specific issue.

In Australia, as elsewhere, the internationalisation of university education is a major policy issue both for the higher education system as a whole and for individual universities. The case of Australia is of particular interest due to the interrelated factors that have encouraged and supported internationalisation and brought a particular character to the emerging strategies for international expansion and cooperation. These factors, in no particular order of priority, include:

> a national policy framework supportive of institutional and systemic internationalisation and globalisation;

> an excellent national reputation for higher education quality and an internationally-regarded policy framework for quality assurance;

> the new entrepreneurial character of Australian universities and their relative freedom to act autonomously;

> the decline in public revenue allocated to higher education during the 1990s and the imperative for universities to seek alternative sources of operating funds;

> the relatively large size of many Australian universities and their strong central decision-making, planning and administrative cores;

> the extraordinary success in the 1990s of attracting fee-paying international students to study on-shore in Australia; and

> a national history of distance education provision and recent extensive experience in the use of information and communication technologies for higher education delivery.

Together these factors make the Australian case somewhat unique. Their significance is best understood if the recent evolution of the Australian higher education system is briefly traced.

Setting the Scene for the Internationalisation of Australian Higher Education: the Transformation of the System in the 1980s

The Australian higher education system is of course relatively small. It is also a largely public system. There are 39 publicly funded institutions and a further five private institutions, four of which receive limited public funding. In addition there are 86 registered private higher education providers, but these account for only three per cent of all higher education students. Although Australian universities receive a sizeable portion of their operating revenue from government, and are accountable to government, they have considerable autonomy and discretion over their directions and their use of revenue. Governance is invested in a senate or council. Universities accredit their own courses and employ their own staff. They have considerable discretion over the recruitment of fee-paying international students and the nature of programs that can be conducted both on- and off-shore.

The structure of the Australian higher education system has changed dramatically during the past 15 years. The present system differs vastly from the system prior to the mid-1980s. Tertiary education expanded considerably in Australia following the second world war. By the 1960s there were close to one hundred tertiary institutions, comprised of universities, Colleges of Advanced Education and teachers colleges. In the early 1980s there was the first phase of the eventual transformation of the structure of tertiary education with the rationalisation and amalgamation of Colleges of Advanced Education (CAEs) and Teachers Colleges (CTEC 1986). The more dramatic phase of restructuring came in the 1980s with the 'Dawkins reforms', named for the federal minister responsible for higher education. The government at the time was keen to use higher education to achieve national economic goals. From the government perspective a consolidation of tertiary institutions to create fewer but larger universities would achieve a number of policy objectives, including greater breadth and depth of course offerings (and hence greater diversity of course and subject choice), enhanced options for staff career development and advancement, economies in administration and other overheads, and greater capacity for growth (Dawkins 1988).

The Dawkins reforms removed the binary divide that existed between CAEs and universities. The universities were research and teaching institutions, and provided postgraduate research training. The CAEs on the other hand were predominantly undergraduate teaching institutions though they could teach to masters level. The removal of the binary divide created the Unified National System in which all institutions were designated, after a process of consolidation, as universities. Within a short period, 19 universities and over 40 CAEs became 35 universities. The consolidation took a number of forms including merger, amalgamation and affiliation. A number of the mergers were best described as the 'absorption' of smaller, specialist institutions into larger ones. In other instances, the consolidation involved the creation of a federation in which the amalgamating institutions retained significant independent character despite the creation of a single governing body.

The policy objectives and the means for achieving them were matters of extensive debate and discord (NBEET 1989). The smaller institutions argued that their independence was necessary if they

were to retain their distinctive educational character. There was criticism that 'unified' might in practice mean 'uniform' and a loss of diversity. The rapid transformation was also stressful for many staff. Often there was a significant clash of institutional cultures. Possibly the most straightforward of consolidations involved the amalgamation of a single discipline institution (e.g. a college of pharmacy) within a larger institution in which this discipline did not previously exist. The more complex amalgamations, which often involved protracted negotiation, involved the integration of comparable discipline groupings within the partnering institutions. In such instances there were usually deeply embedded attitudes, norms and values to do with teaching, research, and administration that were differing or in conflict. The mergers introduced a new social order in which there were 'winners' and 'losers'. Predictably, many tensions emerged in perceptions of the role of research and beliefs about the nature of inquiry and scholarship. These difficulties were often apparent during efforts to unify research-led institutions with institutions the culture was focussed on industry relationships and practical or vocational relevance.

This sketch of the merger underlines the complex history behind many of the Australian universities of 2003 (see DEET 1993 for full details). This is not to suggest the universities in the Unified National System are now all alike and all equal, for they are not. For example, the top eight research-intensive universities have close to one third of the total student load and win close to two-thirds of competitive research funding.

But the present character of Australian universities and their capacity to intensively engage in international activities was largely established by the institutional transformations of the Dawkins era. Typically, the contemporary Australian university is large, cross-sectoral (having vocational education and training programs as well as higher education) multi-campus and comprehensive (or close to it) in discipline offerings. On-shore enrolments now range between 4,000 to 40,000 students, with 16 institutions of over 20,000 students. Prior to the Dawkins reforms, 21 institutions had fewer than 2000 EFTSU. The modern university has a strong central leadership and administrative core and a well-developed capacity to engage in marketing and student recruitment both nationally and internationally.

Two other factors set the scene for the character of the internationalisation of Australian higher education. First, the contemporary Australian university is highly entrepreneurial in the quest for alternative sources of revenue (Marginson & Considine 2000, Gallagher 2000). With the expansion of participation in higher education, universities have received a steadily dwindling per capita allocation of public funding. The creeping 'privatisation' of the revenue base is particularly evident in the government's new tendency to refer to public funding for student places as a 'public subsidy'. Presently, a typical university may receive as little as 40-50 per cent of its annual operating revenue from government, the remainder being drawn from private sources. There are strong incentives for Australian universities to become further self-reliant and even less financially dependent on government.

Second, Australian universities have a long history of catering for the needs of diverse students, in particular mature-age students, and a tradition of flexible access and modes of delivery. Since the 1950s, Australian universities have offered alternative entry pathways for mature-age students; in some universities, around half of the first year enrolment is mature-age. Many Australian universities also have a history of distance education by print, a result of efforts to meet the educational needs of a small population dispersed across a large continent. With this background, it is not surprising that Australian universities have been quick to explore the potential of on-line education for domestic delivery. A recent national survey (Bell et al. 2002) found 207 fully on-line courses, close to one-third of which were delivered only in on-line mode. Ninety per cent of the on-line courses were at postgraduate level and courses in management and commerce were dominant. There was also a good representation of courses in the professional fields of education and health where professionals in full-time employment are attracted by on-line learning. The proportion of all courses that have some form of web presence to supplement traditional teaching and learning is not as clear. The Bell study reported 54 per cent of units having content available on the web. This proportion will doubtless grow. Most universities have introduced within the last two years enterprise-wide Learning Management Systems to deliver subject-based information and learning materials. Web CT and Blackboard are the commonest commercial options, though a number of universities have developed their own systems. Universities have also made some progress in providing on-line services. Most (87.5%) provide an Intranet accessible by all students, with 70 per cent providing access to the Intranet from off-campus (Bell et al. 2002). A large number of services are now provided on-line, including student handbooks and library catalogues. However, facilities for on-line enrolment and payment of fees are still not widespread.

International Education

The Growth in Provision   International education has expanded at a staggering rate in Australia. Australia now hosts over 180, 000 international students across all education sectors (Nelson 2002: 51). 150,000 of these students are in higher education. Remarkably, by 2002 close to one in six students in Australian higher education were international students. Figure 1 illustrates the rapidity with which the market in higher education grew throughout the 1990s, climbing by an average of 15 per cent every year. Australia is now the third largest provider of international education in the world, ranked behind only the USA and UK (Marginson 2002). For a small nation, this is an extraordinary achievement, the result of a highly successful campaign to build a higher education export industry, though it is rarely described in these terms.

Australia's international students are largely from South-East Asian countries. The popularity of Australian higher education in the region is due to the convergence of a set of factors: proximity, the safe environment, a government endorsed Western-style higher education system and the inexpensiveness of Australian degrees and cost-of-living due to favourable exchange rates. 'Lifestyle

Figure 1: International students (share of total students) 1992-2000
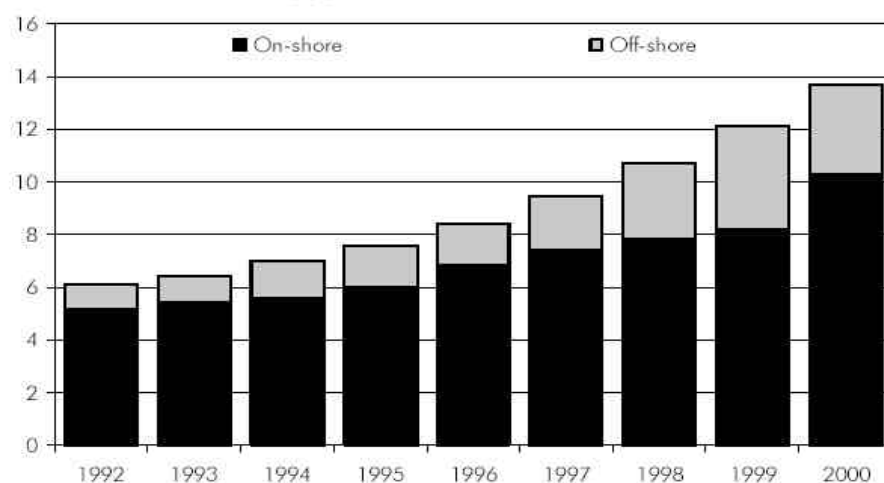
(Source: Characteristics and Performance Indicators of Australia Higher Education Institutions, 2000. DEST, 2001)

factors', which include a high standard of living, a multicultural environment and opportunities for travel and sight-seeing, are also attractive.

Australian universities are involved in all four of the modes of delivery of services recognised by GATS: Mode 1-Cross border supply; Mode 2-Consumption abroad; Mode 3-Commercial presence; and Mode 4-Movement of natural persons. The new areas of activity in recent years are mainly in Modes 1, 3 and 4, where international activities have included branch campuses, franchises and twinning arrangements using a mix of on-line and face-to-face delivery modes. However, most international students continue to study in Mode 1, on-shore in Australia. In 2002, on-campus enrolments increased by 17.7% to 98,000. Enrolments in transnational (off-shore) programs remained steady at 53, 000. Of these, 10,000 were enrolled in off-campus (distance) programs and 43,000 were enrolled in off-shore campuses of Australian universities (IDP Education Australia, 2002).

Marginson (2002) has noted the federal policies that have allowed Australia to create such a successful export industry:

> the deregulation of foreign student fee schedules, allowing institutions to determine their own prices;
>
> allowing universities to retain earnings without penalty; and
>
> allowing universities to enrol as many international students as they wished.

The provision of education and training services to overseas students in Australia is closely regulated by the Department of Education, Science and Training through the Education Services for Overseas Students (ESOS) Act and associated legislation. This legislation serves to protect the interests of students coming to Australia by providing tuition and financial assurance and by ensuring

a nationally consistent approach to provider registration. Specific national policy measures set in place to guarantee the quality of international degrees include the following:

the National Protocols for Higher Education Approval Processes, designed to ensure consistent criteria and standards across Australia in the recognition of new universities, the accreditation of higher education courses and the delivery of higher education courses involving other organisations;

the Australian Qualifications Framework (AQF), established in 1995 to provide for national articulation of awards in the Australian vocational education and training and higher education sectors;

the Australian Universities Quality Agency, established to monitor, audit and report on university quality assurance arrangements; and

the ESOS Act and the associated CRICOS register (Commonwealth Register of Institutions and Courses for Overseas Students), Tuition Assurance Scheme and Tuition Assurance Fund (ensuring students are provided with suitable alternative courses, or have their course money refunded, if the provider cannot provide the courses that the student has paid for) , and National Code of Practice.

This policy and legislative framework is arguably unsurpassed internationally. Michael Gallagher, a senior bureaucrat, recently argued that

Ironically, in relation to the issues that most concern the opponents of trade liberalisation in education services – provider accreditation, definition and protection of 'university', qualifications definition and recognition framework, quality assurance arrangements that are consistent domestically and internationally, and consumer protection – Australia's policies and frameworks are indisputably the world's best practice benchmark (Gallagher 2002).

While universities are at pains to stress the educational benefits of cultural diversity and international perspectives in the classroom, their interest in recruiting international students is principally financial. International operations are not marginal to Australian universities nor are they conducted altruistically; they are now core business. The irony is that Australian universities are pursuing profit in international education principally to improve their revenue for supporting the quality of domestic education provision. The revenue from international students has become highly significant in making up for the relatively poor resource levels of Australian universities compared with comparable universities in competitor nations (Marginson 2002).

The expansion of higher education exports is a great success story, but from a business development perspective there are potentially worrying signs. International student demand is

concentrated within two cities (80 per cent of students are in Melbourne and Sydney) and within certain fields of study (85 per cent are studying Business or IT). Students come from a relatively small number of countries, mainly Malaysia, Singapore and Hong Kong, and 85 per cent are ethnic Chinese. But clearly the market can grow and diversify. The potential market in mainland China is still to be explored — China is now the main growth driver, contributing towards 22 per cent of the annual growth — but the scale of potential demand for Australian higher education is huge.

If there is a negative educational aspect to international degrees in Australia it may be the dependency that universities have developed for the fees paid by international students (Marginson 2002). This dependency has consequences, including a distortion of the curriculum due to the uneven spread of wealth across the fields of study given that the patterns of student demand are so concentrated in Business and IT. In addition, there are cultural aspects of the international student market still to be addressed. There remains concern about the adequacy of the integration of international students with domestic students (Gallagher 2002). And the flow of students is still mainly unidirectional. While Australian universities have literally thousands of agreements with overseas universities for student exchange, a relatively small proportion of Australians study overseas either for full degrees or as part of exchange programs.

There are rising concerns about quality and standards. In a recent Australian Universities Quality Agency review of the University of Newcastle, which has 12 per cent international students and a growing number undertaking programs of study in other countries, the Audit Panel was critical of aspects of the university's internationalisation activities, in particular its off-shore activities. The review report (AUQA 2003, p.33-34) commented:

> The University's general Strategic Plan does not include a specific set of goals with respect to international activities. Moreover, the University's activities in this area are significantly understated in the Performance Portfolio, with only enrolment targets and results being provided. The Audit Panel, therefore, audited this area without the benefit of a self-evaluation by the University. It found numerous areas of concern regarding current practice, although was somewhat reassured that the University was aware of these and seeking to address them.

> The University has a number of relationships where partner providers undertake teaching and assessment services in other countries on behalf of the University. Although the Audit Panel was advised that all partner entities are subject to a rigorous due diligence process, including assessments of the physical resources, prior to an agreement being established, it was subsequently revealed that this is a new practice in accordance with the University's policy on Agreements, and has not been applied to many of the currently-existing partnerships. The University acknowledges that due diligence has not been well managed in the past, and has been conducted primarily by the marketing team without adequate involvement of the academic staff concerned.

The Audit Panel concluded that Newcastle's activities in off-shore programs have been subject to inadequate quality assurance processes. Its recommendation was that that the University establish and implement a specific system for assuring the quality of all its programs delivered off-shore, including:

> A robust process of due diligence for partners and agents; quality controls for translation services; comparisons of learning outcomes for students in off-shore and equivalent on-shore programs as one indicator of equivalent quality (AUQA 2003, p.34).

The New Character of Internationalisation: New Inter-Institutional Relationships for the Delivery of Global Higher Education

The Australian internationalisation impetus has shifted somewhat from exchange agreements, bi-lateral agreements for course delivery and the recruitment of students to study on-shore in Australia. If internationalisation was the persistent theme of the 1990s, then globalisation, with a more explicit emphasis on the commercialisation of education, might capture the spirit of the 2000s. This shift in thinking has been brought on in part by the convergence of internationalisation and the ICT revolution — breakthroughs in the technology for educational delivery that offer tertiary education providers a scalable capacity to meet demand. In turn, the demand for higher education is projected to rise dramatically as people in developing nations seek higher levels of education and have the income to pay for it. In this context, Australia universities have identified new opportunities and are under new pressure to expand their boundaries and profiles. The Australian push to globalise has been hastened by recognition of the imperative to move quickly to participate in the new global environment for transnational provision. As a small nation, there is a particular sense of vulnerability in the face of the potential for new global providers armed with new modes of mass delivery to undermine Australia's current market advantages of favourable cost and relative ease of access.

The most significant new trend is in *whole-institution strategies for international cooperation* and the emergence of *internationally networked universities* for the purposes of providing educational services. Domestic networks of Australian universities have existed for some time of course, of course, including the Group of Eight research-led universities (www.go8.edu.au) and the Australian Technology Network (ATN) composed of five technologically-oriented institutions (www.atn.edu.au). These networks have differed in the purposes and intensity of the relationships, but the principal motives for the participation have been domestic policy analysis and political lobbying. Australian universities have also had long-standing academic relationships with overseas universities and numerous bilateral institution-level agreements for the purposes of staff and student exchange, joint research and teaching.

The new cooperative international arrangements, however, are of a far greater intensity and the motive is more explicitly commercial. A number of Australian universities now engage in international collaborations, as described in the following section, that transcend geographical and

political boundaries and whose activities are outside of conventional monitoring and quality assurance jurisdictions.   The principal objective of the new relationships is the provision of transnational education on a large scale. These relationships are originating from the new entrepreneurialism of the institutions themselves rather than Australian government directive, though there is a broad framework of policy support as mentioned previously.

The agreements for institutional cooperation are complex. The new relationships are not mergers or amalgamations as these are usually thought of, for very little change takes place in the governance or autonomy of individual institutions. Nor are they joint ventures or franchises as usually conceived. While the motives are mainly financial profit there are other rationale as well, including a commitment to the expansion of access to higher education and to a lesser extent a belief that teaching materials developed for on-line programs might be useful in on-campus programs or that there will simply be long-term benefits in the deeper understanding of on-line pedagogy that will emerge.

Three Contrasting Case Studies of the Internationalisation and Globalisation of Teaching

Three examples follow of alternative approaches to the challenge of the internationalisation or globalisation of educational programs. The first is of Monash University, which has concentrated on building a physical presence overseas, followed by the on-line strategies of two international consortia: Global University Alliance and the interesting case of Universitas21. It is too early to assess the educational and commercial effectiveness of these newer international ventures.

Monash University   Monash University has been one of the more vigorous Australian universities in its commitment to internationalisation. For some time Monash has depicted itself as a 'global university'. At present it has eight campuses and numerous partnerships of varying intensity. Monash identifies three forms for its global endeavours:

      partnerships;

      Monash centres; and

      Monash campuses

    (www.monash.edu.au/intoff/globaldevelopment/framework/introduction.html)

  Three broad types of partnerships are identified:

      partnerships designed exclusively or principally to support learning and teaching;

      partnerships designed exclusively or principally to support research; and

      comprehensive partnerships that are broad ranging, including a set of functions that may extend beyond learning, teaching and research.

Like other Australian universities, Monash has a number of bilateral partnerships for specific teaching projects, such as a venture with the University of Hong Kong for the joint delivery of specific

courses. Monash also has bilateral partnerships which have more comprehensive goals embracing learning, teaching and research, such as the Monash University—King's College London partnership through which Monash hopes to benefit from an alliance with a partner which has a strong, well-established presence in a leading European capital city.

Monash also has a strong commitment to having a physical off-shore presence of its own, with newly established campuses in Malaysia and South Africa and centres in London and Prato, Italy. The Malaysia campus, in Kuala Lumpur, and the South African campus near Johannesburg are fully-fledged teaching campuses offering the range of services and facilities necessary for a complete on-campus university experience. Monash hopes to profit financially in the long term from both these ventures. In contrast to the off-shore campuses, a Monash Centre is a smaller 'shopfront' in an overseas location. Monash University claims its centres allow it:

> To develop and expand its connections with universities, governments, cultural institutions and industry; extend the opportunities for Monash and other Australian students and staff to study and work overseas; act as an interface with the country or region in which it is based; showcase Monash University, Australia and Australian culture; and support the Monash community of scholars and researchers.

The internationalisation/globalisation developments at Monash are supported by a comprehensive plan known as the Global Development Framework. Monash's approach differs from other Australian universities in its focus on bi-lateral partnerships. The distinctive character of Monash's globalisation strategy lies in its multiple activities, the wide global extent of these activities and its commit to physically locating operations off-shore.

Global University Alliance (Royal Melbourne Institute of Technology and the University of South Australia)

Other Australian universities have adopted an alternative strategy. Royal Melbourne Institute of Technology and the University of South Australia, both members of the Australian Technology Network (ATN), are also members of an international consortium for the delivery of educational services. The Global University Alliance (www.gua.com) is comprised of eight universities spread across Australia, New Zealand, United Kingdom, Canada and the USA. The objective of the alliance is to be 'the premier global provider of flexible, accessible, high quality university accredited education' using on-line delivery and the alliance's global network of teachers. The participating universities share an emphasis on working with industry, on applied knowledge and on practical, vocational programs. GUA aims to offer students the combination of flexibility of access, international recognition of awards and relatively low cost. GUA is a company fully owned by the member universities. NextEd Limited is an educational services company that provides the GUA

technical platform for program delivery. The alliance is establishing points of physical presence (GUA Education Centres) in strategic locations, including throughout Asia.

At present, GUA offers Foundation Studies courses in English for Study and English for Communication to meet the language requirements for entry to universities in English-speaking countries, and undergraduate and graduate courses in Business and Information Technology. GUA does not yet accredit courses, these are accredited by its member institutions. Courses undertaken with GUA are recognised towards degrees from the member institutions.

Universitas21 and Universitas 21 Global (University of Melbourne, University of New South Wales, University of Queensland)

Perhaps the most ambitious of the Universitas 21 is a world-wide network of 17 research-led universities in Europe, North America and the Asia Pacific (www.universitas.edu.au) that originated at the initiative of the University of Melbourne. The three participating Australian universities are members of the Group of Eight research-intensive universities. The U21 association provides a framework for international collaboration within which it is anticipated the reach of each individual institution is extended and strengthened by the locations and well-established reputations of other members. From its establishment, the activities of Universitas 21 where conceived as occurring at three levels: collegial, collaborative and entrepreneurial. The first level involves traditional academic exchanges. The second level involves international collaboration between members. The third level involves entrepreneurial activities, intended to engage Universitas 21 universities in delivery of educational services on a commercial basis.

Perhaps of most significance in the activities of Universitas21 is Universitas 21 Global (www.u21global.com), which is the venture through which some Universitas 21 members hope to play a major, if not the world-leading role, in the provision of on-line international education. Universitas 21 Global is an on-line university registered in Singapore created as a joint venture between certain Universitas 21 institutions and Thomson Learning, a major international publishing company. Universitas 21 Global aims to provide leading edge access to educational programs designed for individuals and corporations. The goal is high quality provision and an internationally portable qualification that has U21 accreditation. The first courses will be postgraduate programs in business and information technology planed to commence this year. Universitas 21 Global will provide on-line learning resources, on-line tutorial groups, and assessment at designated assessment centres. Course content is not being developed by the shareholder universities but is being purchased and modified from existing sources. The UNext platform is being used for on-line delivery. Academic quality assurance will be at arm's length from Universitas 21 Global itself, under the jurisdiction of U21 Pedagogica which is comprised on the participating universities.

Universitas21 Global is targeting demand hot-spots in Asia where the projected demand for higher education is expected to grow rapidly along with the capacity of individuals to pay for courses. The

joint venture partners are aware of the riskiness of this venture in an area in which there are few examples of major commercial success (Cunningham et al. 2000, Ryan & Stedman 2002). The thinking of the partners is that one provider is likely to be commercial successful in the near future and they believe they have the elements of success: the credibility of leading institutions, an academic quality assurance framework, a robust and scalable systems architecture, a successful business partner experienced in information delivery and an viable marketing plan.

Universitas 21 Global is interesting because of the magnitude of ambition. Universitas21 Global aims to be a truly global university. It involves the creation of a corporate, for-profit university for which public universities are shareholders. This development raises many questions about the relationship between research and teaching, since Universitas21 Global has no plans to conduct research, the relationship between academics, course content and learning materials, and program instructors. Not least, many questions are posed about processes for monitoring quality.

A Brief Analysis of Developments and Issues

The networked university has a set of distinguishing characteristics:

the networked university seeks to expand its organisational boundaries through multiple partners that provide global reach and influence;

benefits are thought to arise from multiple, geographically dispersed partners;

the relationships are at the whole enterprise level, with an alignment of universities of similar profiles and aspirations;

there is an interest in highly tangible teaching and research benefits, in some cases explicitly in substantial commercial benefits; and

the relationships are intended to be long term.

There is a need for new frameworks for analysis of the issues arising from the emergence of international consortia. At the least, there are nomenclature problems in describing the new forms of inter-institutional partnerships and relationships which are developing across geographical boundaries and political jurisdictions. The terms 'cooperation' and 'collaboration' fail to convey the intensity of the new relationships and the commercial footing on which they are built. A basis for new analysis might be found in Grant Harman's work on the processes of institutional mergers in Australia. Other frameworks have been proposed for understanding the possibilities for inter-institutional international relationships in higher education, including the work of Hans De Wit. Beerkens (2002) has categorised these frameworks in terms of the scope of size of the partnership/network, the nature of the integration of activities. Many of these frameworks focus on structural issues and are less adequate for understanding the significant political and cultural dimensions.

The rapidity of the internationalisation and globalisation of higher education has opened up many significant issues that have not received sustained research and analysis. Five areas for investigation stand out.

1. The New Character of Quality Assurance Arrangements

   Responsibilities for quality assurance are increasingly unclear as the usual distinctions between 'provider nation' and 'recipient nation' appear to be dissolving in the case of global providers such as Universitas21 Global. Importantly, the international consortia for course delivery such as U21Global and Global University Alliance seem to operate outside the Australian policy framework for monitoring and regulating the provision of higher education to international students (the National Protocols for Higher Education Approval, the Australian Qualifications Framework (AQF), The Australian Universities Quality Agency (AUQA) , the Education Services for Overseas Students (ESOS) Act and the associated CRICOS register).

2. The Models for Institutional Governance

   There are important questions about the whether and in what ways university governance systems have adapted to recognise and give attention to the particular needs, concerns and issues of new constituencies and foreign countries in which universities are developing physical or virtual presences.

3. Cross-Cultural Teaching and Learning

   There are many issues to be explored in this area, including assumptions to do with the language of instruction and assessment, cultural beliefs about the nature of knowledge and teaching and learning processes, and concerns regarding the 'intellectual colonisation' of developing countries.

4. The Changing Roles of Academic Staff

   A related area for investigation is the way in which international consortia and international involvements are affecting the way in which academic work is conceived. Issues here include the preparedness of academic staff to teach off-shore and to teach across cultures and the new skills required to teach and support students on-line. These represent significant changes in the character of academic work and pose questions for policies for recruitment, professional development and career development.

5. Commercial Viability

   Whether transnational on-line learning ventures will return a profit in the long term is of course of major interest. So far, the signs are not positive. While projections suggest a

massive unmet global demand for undergraduate education in the next decade, whether this demand will translate into enrolments in on-line programs is uncertain. In any case, the major new developments are in the postgraduate arena where the level of likely demand is less clear.

In summary, while the early 1990s was an inward-looking period while institutional mergers were bedded down, the contemporary Australian university is more outward looking. Australian universities are less concerned with mergers and domestic alliances and more concerned with strategic relationships that broaden institutional boundaries and extend their reach beyond Australian borders.

Strong international relationships between universities seem to be the way of the future, at least for the larger institutions. The trend towards international networks providing transnational education challenges many assumptions about the relationship between universities and their communities and invites reconsideration of the idea of the university itself. This is evident in the new alignment of business and educative motives, which is an outcome of the trend to commercialise learning and the potential of new technologies to open up markets with economics of scale hitherto undreamt of in tertiary education.

References

AUQA (2003) *Report of the Audit of the University of Newcastle.* Australian Universities Quality Agency.

Beerkens, E.(2002) International inter-organisational arrangements in higher education: towards a typology, in *Tertiary Education and Management* 8, 4: 297-314.

Bell, M., Bush, D. Nicholson, P., O'Brien, D.and Tran, T. (2002) *Universities Online: A survey of online education and services in Australia.* Australian Government Publishing Service: Canberra.

Cunningham, S., Ryan, Y., Stedman, L., Tapsall, S., Bagdon, K., Flew, T. and Coaldrake, P. (2000) *The Business of Borderless Education.* Higher Education Division: Canberra.

CTEC (1986) *Review of Efficiency and Effectiveness.* Australian Government Publishing Service: Canberra.

Dawkins, The Hon.J.S. (1988) *Higher Education: A policy statement* (the 'white paper'). Australian Government Publishing Service: Canberra.

DEET (1993) *National Report on Australia's Higher Education Sector.* Australian Government Publishing Service: Canberra.

DEST (2001) *Characteristics and Performance Indicators of Australia Higher Education Institutions, 2000.* Australian Government Publishing Service: Canberra.

DETYA (2001) *Higher Education Report for the 2001-2003 Triennium.* Department of Education, Training and Youth Affairs: Canberra.

Gallagher, M. (2000) *The Emergence of Entrepreneurial Public Universities in Australia.* Occasional Paper Series 2000/E. Higher Education Division: Canberra.

Gallagher, M. (2002) *Internationalising Education*, address to the Sixth Annual National Teaching Forum of the Australian Universities Teaching Committee, 2 December 2002. (www.autc.gov.au/forum/mgspeeech.htm)

Harman, G. and Meek, V.L. (1988) *Institutional Amalgamations in Higher Education: Process and Outcomes in Five Countries.* Department of Administrative and Higher Education Studies, University of New England: Armidale, New South Wales.

IDP Education Australia (2002) International Students in Australian Universities, 2002 National Overview. IDP Education Australia

Marginson, S. and Considine, M. (2000) *The Enterprise University: Power, governance and reinvention in Australia.* Cambridge University Press: Cambridge.

Marginson, S. (2002) The Phenomenal Rise of International Degrees Down Under, *Change*, May/June 2002, pp.34-43.

NBEET (1989) *Report of the Task Force on Amalgamations in Higher Education.* Australian Government Publishing Service: Canberra.

Nelson, B. (2002) *Higher Education at the Crossroads.* Ministerial Discussion Paper, Commonwealth Department of Education, Science and Training.

Ryan, Y. and Stedman, L. (2002) *The Business of Borderless Education: 2001 Update.* Higher Education Division: Canberra.

Session 4

Britain and Europe

Co-operative and Exchange Activities

of British and other European Universities

Keith J. Morgan

Hiroshima University

Co-operative and Exchange Activities
of British and other European Universities

Keith J. Morgan[*]

We are all familiar with the idea of an international community of scholars. It is almost an academic platitude. In western Europe the concept dates back to the 13th century, when the first European universities were established. The notion of wandering scholars traveling the road, if there was a road, between Bologna and Paris and Oxford is well established in our view of the first development of university education. It is actually quite a challenge to visualize what that must have been like for scholars in those days. Mobility across the European land mass was not simple. There were no roads, and there were certainly no quick means of making the journeys. And yet, migration of scholars was possible. There seem to be three positive reasons why this occurred and why it did make a real contribution to what we now recognize, as university education. First, there was a common culture. European culture was recognizable and apparent to people who lived in all parts of western Europe. It was based on the Catholic Christian church, largely because the church provided the technological basis for scholarship. Reading and writing were accomplishments possessed by very few in Europe at that time if they were not members of the religious communities of scholars. Second, there was a common language - Latin. This persisted as the common language of scholarship for several hundred years and, indeed, would have still functioned as a common language for scholarship for the 400 years following the 13th century. But, the third and compelling reason is that migration of scholars was necessary: there was no other way of pursuing scholarly enlightenment. There were no printed books, the only way to learn was from the spoken word, and in particular, by listening to the teaching of scholars from other centres. Face to face contact was part of the scholarly tradition of the 13th century and proved to be a valuable component – perhaps the most valuable component – of university education.

But does this provide any clues as to what happens about scholarly cooperation and exchange activities in the 21st century? Not too many, I think. We still hold to the idea of the international community of scholars. Many people would argue that having an international breadth to teaching and student communities adds great strength to the ability of universities to perform their academic work. But, we no longer have the a pervasive common culture, a shared language for scholarship, or the necessity for migration and exchange in the way that we did those hundreds of years ago.

---

[*] COE Research Fellow, Research Institute for Higher Education, Hiroshima University, Japan; Emeritus Professor Lancaster University, England and University of Newcastle, Australia

European Co-operative and Exchange Activities

In Europe, now, we do have some substitutes. Travel is neither so onerous, nor life-threatening. Political co-operation throughout the European Union has removed many of the barriers to migration that had been erected since the time of Charlemagne, and there is a willingness to develop a shared European culture. English begins to emerge as an acceptable basis for communication. And there is growing demand from within the universities for internationalization, or at least europeanization.

An important official development was provided by the Bologna declaration, signed by European ministers of education in 1999. The declaration expressly makes a commitment to academic mobility and particularly to student exchange. In order for this to be effective there are implications for academic structures and standards. Credit transfer, common structures for degree courses and common standards for course accreditation are similarly explicitly identified in the declaration. While reconciling many of the details will present major difficulties for the diverse national systems of higher education, some of the broad principles are already incorporated in EU legislation.

From its inception, the European Union has actively supported student exchange as both educationally and culturally desirable. The major Erasmus programme, was launched in 1988 with the aim of encouraging students to take one or more courses in a university in a country other than that of their home universities. Initially the number of students involved was not large: about 3000; it has now risen to over 100,000 each year. The students take courses that may last a semester or a full year, but the important thing is that in the Erasmus scheme the courses are taken for credit. In the past, students have regularly chosen to take leave from their universities, travel overseas and attend courses in other universities, but usually these courses have not contributed to their formal academic programme. There are complications in making the arrangements for student exchanges and for implementing the credit transfer. In the past it has been for individual departments to provide the administrative support but now it has become a part of university planning. There is some European money available to assist both in the administration of the scheme and to provide some assistance for the additional costs that individual students may incur.

Such courses are not entirely new or entirely the invention of the EU. In British universities there has been for very many years now, a requirement that students studying foreign languages or studying foreign cultures (now frequently "European Studies") shall spend at least one year as part of their four-year courses, living, working and studying in one of the countries of their academic study. These are programs which have traditionally been arranged by the language departments of the British universities with the corresponding English departments in European universities with which twinning or exchange agreements have been established. They usually contain an element of work experience, not least, to provide some money for the students, and they are regarded as one of the more attractive parts of the courses.

One of the impediments to student exchange across Europe is the barrier of language. The problem is severe and is exemplified in the operations of the EU. Already with 15 members there is

the need to translate EU documents into a dozen languages and to provide multiple simultaneous translation services at meetings. The addition of a further group of countries will strain the system virtually to destruction. Inevitably a pragmatic solution emerges. Despite the reluctance of the francophone countries, English is becoming identified as an effective language of communication within the EU. Indeed, a new Euro-English dialect is beginning to be recognised as meeting both the peculiar bureaucratic needs of the EU and provision of a common European language.

To a considerable extent, this solution has already been implemented in the universities. Many science, engineering and IT courses throughout European universities are already taught in English so as to have access to American texts, literature and internet data. Most students in high schools learn English as their second language and achieve a high level of competence. One consequence is that students from other European countries quite frequently seek admission to study in British universities. At undergraduate level, students from Denmark and Ireland (the latter with no language barrier) are commonly encountered; at postgraduate level, casual observation can identify many students from France attending management and business courses in London.

One group of exchange programmes that draws strength from the use of English as a common language is that linking American and European universities, and particularly of course English universities. There have been for many years now arrangements so that American students who wish to spend their junior year abroad (JYA) can do so in Europe. Many of them come to England. They will normally stay for one semester though a fair number extend their stay for a full year. They choose to study a wide range of programmes. Obviously, English history and English literature are popular but I can recall students attending courses in faculties of science, mathematics and engineering as part of their JYA programmes. The programmes are not easy to arrange. While there is no language problem of any substance, it is important that the host university in Britain knows some, in some detail, the course structure and administrative arrangements of the American universities so that courses at an appropriate level can be identified and credit awarded. There tend to be arrangements between groups of universities in America, and groups of universities in England. The preparatory work involves faculty visits, detailed scrutiny of syllabuses and teaching arrangements, and in particular arrangements to ensure that credit transfer is effective. The magic rule here seems to be that it is the home university of the student that should determine how much credit shall be awarded for the overseas study. The return exchange of students from the U.K. to American universities is on a very much smaller scale. This is largely because it costs more for British students to go to America, mainly because in the UK they pay lower tuition fees than they do in America. Even so, one of the more popular methods of attracting students to programs in British universities has been to provide courses with an extra year of study in America. Courses which have attracted decreased numbers of applicants in recent years such as physics or chemistry become more attractive to students if they include a year in an American institution; the attraction is not just in terms of numbers but in the quality of applicants – it is the better students who wish to participate in these schemes.

At postgraduate level there are, of course, many courses mounted jointly by European universities, most commonly in the areas of business and management studies by university business schools at the MBA level. Here student demand for access to international study is augmented by the additional opportunity for insights and information about different European commercial environments provided by joint courses between European universities.

At research levels, I don't really want to say very much about university collaborations. They are of course, well known and well established. They tend to focus on the high cost activities: if you require a few million dollars to establish a worthwhile research program, it is perhaps, easier to obtain it if you are an international group rather than if you are a local one. So that in areas such as high energy physics or in astronomy and increasingly in the bio-medical areas, it is very common to find European groups engaged in joint activities. It is though perhaps worth mentioning that it was at CERN that the whole idea of the theoretical basis and the philosophy for establishing the worldwide web and the internet was established. So, once again, one finds that the intellectual spin-off from university research may actually produce something even more valuable than its intended objective.

National Exchange and Co-operative Activities

One might think that, in principal, within national systems, there should be extensive opportunities to develop co-operative and exchange programs between universities. There is no problem about student mobility they can even ride their bicycles between universities in many cases. There should be no problems with language and minimal problems with culture. But, of course, with very few exceptions these exchanges are very limited in scale if not in scope. The main reason is that within national systems there is no particular advantage to be obtained from collaborative schemes. Most universities of any substance believe that they are capable of providing all the courses that are necessary by themselves and that, indeed, may actually be in some sort of competition with colleagues in a different institution.

In the past in Germany, there was a long tradition of the migration of students from one university to another. This was a system which was developed in the 19th century. It flourished and was particularly valuable at a time when there were limitations in the courses provided in different universities. Students who have completed high school with appropriate grades in the "arbitur" were entitled to attend any university. They could select a university for a particular course or for a particular area of study and then move after one year or one semester to another university. The system began to collapse when massification arrived. In the 1960's and 1970's this coincided with the existence of very strong and different philosophies in the provision and teaching of courses in the social sciences in German universities. The ability to create waves of student unrest in different centres produced a very unhappy situation and many major problems. The migratory system has now really collapsed because of the requirements, even in German universities, that they should be capable of planning in regard to the number of students they would expect to teach, particularly, in the more

expensive subjects.   Recently, the requirement to provide funding and equipment for students to use has allowed the universities to establish quotas (*numerus clausus)* for students and now the notion of migrating from one university to another in Germany is largely a thing of the past.

Exchange and Co-operative Activities in British Universities

In Britain the history of the universities followed a different course.   In contrast to France and Germany and some of the other European countries, there was no historic national system of universities that was explicitly developed.   The British system grew in response to demand, and to demand of different sorts, not primarily driven by government, at least, until comparatively recently. Until the middle of the 19th century, there were comparatively few universities in the U.K.: Oxford and Cambridge in England, some five universities in Scotland, and then two more universities were added, Durham and University College London, in the first part of the 19th century.   Subsequently things changed, really, quite quickly.   In the second part of the 19th century, many of the large civic universities in the major industrial centers of England were established   first, as university colleges and then rapidly as full universities.   They were established, not by the government, but by private initiative, usually, of local businessmen and industrialists who were anxious to have access to the advantages they perceived in having a local university.   And it is perhaps interesting now that one of the factors that affects mergers and amalgamations is the wish of local communities to preserve their own local universities because of the local advantages that this may offer.

The universities that were established in the 19th century and, indeed, for much of the 20th century were established not by act of parliament, nor by the government, but they were established under the crown by royal charter.   The powers that were provided by these royal charters were those of fully independent corporations.   The word "corporations" implies that they have all the powers of a commercial company: as well as awarding degrees they can raise money, they can buy land and property, they can have employees, they can invest their money, they can do, in the words of the charters "anything that is considered to be appropriate to the advancement of education".

It is perhaps useful to recall that involvement of government with the universities in Britain in 19th century was largely in terms of quality assessment and approval.   At that time there was dismay and disgust at the academic standards of Oxford University and Cambridge University.   By the middle of the 19th century this forced the government to act and they produced major reports which completely altered the structure and teaching of those universities.   In the 20th century, government has added to this role the important component of provision of subsidy.   Government provided subsidy because it began to recognize that universities were important first, socially, and then economically. Subsequently, the need to provide subsidy has grown on a scale which ultimately forced government to regard them - and forced universities to accept that government would regard them - as an essential part of the economic structure of the country.

This gives us, then, a system of independent universities fundamentally competitive but sharing

interests.   And, I think this is where the history of collaboration and competition began to work to give the rather strange and perhaps rather useful combination of activities that really now reflects both the extent of the universities mutual dependence and the need for them to sustain their credibility. There are many activities that demonstrate these characteristics.   In the following sections a number of the more significant activities are described briefly.

School Examinations   Unlike the situations in many other European countries, school-leaving examinations were not established through the national government.   They were invented by the universities at the end of the 19th century following expansion of the secondary education system. The universities set up examining boards and examined students in secondary schools to establish that students were attaining standards that met the universities' matriculation requirements, that is the entry requirements of the universities.   These then developed at slightly different levels into school certificate and higher school certificate examinations that constituted school-leaving examinations with national credibility.   The universities formed themselves into groups to do this.   Oxford and Cambridge set up their own boards (they subsequently set up a joint board); London University set up a school examination system, which ultimately had major international influence; and the universities in the big industrial cities set up the Joint Matriculation Board.   The boards established mutually compatible standards so that any university was quite happy to accept the results of a student taking any of these examinations.   An interesting twist to this that the system has now been modified completely in the U.K.   The process of school examinations has now been privatized and in recent years there has been more criticism of the standards apparently operating in the privatized school examinations than in any other aspect of school education.   It is tempting to think that this just shows how good universities are at co-operative activity but perhaps it merely indicates how good they are at knowing when to quit.

Course Developments

(a) External Degrees   The University of London was for many years the dominant institution in provision of external degrees.   They were provided for students in many colleges, technical colleges, colleges of further education, and other colleges which were not of university status, particularly in the period up to 1950 when many new universities were created.   They were also, of course, available internationally.   Many of the colleges in Britain subsequently became universities e.g. Southampton, Leicester, Nottingham, Reading.   Many of the new universities, created in the 1990's started by teaching programs devised by London University.   Nowadays they would be described as "franchised" courses with the university monitoring the standards and, indeed, conducting the examinations.   As well as providing wider access for students, the courses allowed academic staff in the colleges to become familiar with the academic requirements of university teaching.   The subsequent transition of the colleges to university status was facilitated by this experience.

(b) Professional Accreditation   Many university courses provide education and training necessary for professional qualifications.   In some professions these courses have long been the established routes of entry: engineering, medicine, and the sciences.   In others there were alternative routes of professional training: law, accountancy, architecture, pharmacy, and of course teaching.   By the 1960's it became apparent that university degree courses in all these professional subjects were to be the recognised route of entry.   The legal requirements to practice in these areas are registration as members of the appropriate professional organisation.   Inevitably the universities jointly collaborated with these professional organisations to ensure that their degree schemes satisfied their requirements as well as their own academic standards.   This is a mutually beneficial arrangement guaranteeing that each university course attains the necessary standards, that the universities and the professions are strongly linked, and that students know that their degrees carry professional status.   Normally, on graduation a student becomes a "graduate member" of the appropriate professional body and attains full membership after obtaining some years of professional experience.

(c) Validation of Non-University Higher Education   In the 1960's and 1970's, the academic programmes of many mono-technic institutions, notably teacher training colleges, were diversified.   This created a need to provide appropriate assessment procedures to validate the new programmes.   To meet this need nationally, the Council for National Academic Awards (CNAA) was established.   Many of the colleges arranged for CNAA to validate their diversified programs but some preferred to use the links that they had already established, or could establish, with universities in their neighborhood.   Some of these developments were really very successful.   London University, through its institute of education, Southampton, Leeds and Lancaster Universities were particularly active in this respect.   I was much involved at Lancaster with the programs of what were called the associated colleges.   The colleges were essentially asking to be allowed to teach courses which would earn their students degrees awarded by the University.   These were not degree schemes of the universities, taught on licence or franchised (as were the former external degrees of the University of London), but degree schemes devised by the colleges.   The universities encouraged the colleges by providing support through the active participation of people in the appropriate departments in the university.   So, this became a major collaborative scheme between the university and the colleges, with the university subsequently undertaking a responsibility to monitor and assist in the development of the programs over time as they were taught in the colleges.   A large number of students who graduated with University of Lancaster degrees obtained their degrees in this way, and some of the colleges that originally were associated with the University of Lancaster then went on to grow to become bigger,   to be created, firstly, polytechnics, and then universities in the 1990's. Some of the colleges have remained comparatively small and are still associated colleges of the university.   Consequently, this is likely to be a continuing - and successful - pattern of activity.

(d) Franchised Courses   Courses devised and established by a university but taught by another institution are identified as "franchised courses".   These are the direct heirs of the "external degrees" taught in the past under the aegis of London University.   Commonly the courses are taught as part of the provision for post-compulsory education in Colleges of Further Education, Technical Colleges, and Colleges of Adult Education in response to local demands.   The university will monitor the standards of teaching and educational resources, and be responsible for assessment and awards. Many of these courses in Britain are at sub-degree level leading to Higher National Certificates and Diplomas; but many of these also offer opportunity for students to transfer to the university to complete a full degree progrtamme.

Government plans for the future of higher education suggest that there will be many more franchised schemes to be developed.   The UK government has just published a white paper on the development of higher education over the next decade.   It envisages a huge expansion of higher education so that 50% of all people below the age of 30 will have participated in higher education.   It envisages that this great expansion shall not be in the traditional 3- and 4-year degree courses, but in what are called "foundation degrees", 2-year courses, some to be taught in the universities, many to be taught in colleges of further education.   A large number of these will undoubtedly be franchised courses, although the government plans to explore the possibility that some of the further education colleges should be able to establish their own courses.

Credit Transfer   It is an essential component of mobility of students in the U.K. that awards at one university are automatically recognized by another university.   At undergraduate level the extent of student movement between regular universities is small, being largely confined to situations where individuals or families move from one location to another.   This does happen, and with increasing frequency as the numbers of part-time students and "mature" students increases.   These two factors combine to create a specific demand amongst students of the Open University.   The Open University (OU) was established some 40 years ago to provide distance-learning facilities for students across the UK.   It is now the largest university in the UK with some 90,000 students.   Frequently students who have started degree studies in the OU experience changed circumstances which lead them to seek a transfer from part-time study to full-time study in a regular university; and similarly situations arise where students seek to transfer to part-time study in the OU.   These transfers, with credit for courses taken and completed are effectively seemless.

For postgraduate study, it is quite common for a student to seek to move to a different university. Particularly when a larger and perhaps more prestigious university can offer better research facilities this is seen to be a desirable move.   Any suggestion that a post-graduate student should take an examination before being allowed to register as a masters student at another university would seem strange in Britain.   All British universities would accept the qualification of a bachelor's degree obtained at another British university automatically provided, that is, that the classification (first or

upper second class) was appropriate for further advanced study).   They might welcome a letter of glowing praise from the department saying this is not merely a competent student but a very good student, but there is no provision in Britain for graduate students to take entrance examinations in order to allow them to start on masters courses or to register for a doctoral programme.

External Examiners   For many years, certainly, from the 19th century, British universities have been used to appointing external examiners, not just for post-graduate qualifications, but for undergraduate courses.   When universities were small, it was seen to be important to bring in professors from other universities to guarantee that the quality of their awards matched those of others in the system.   This system continues to function, is widely respected, and indeed has recently assumed a central position in arrangements for quality assessment.   Now that the university system has grown so much larger, there is a problem because some of the most widely respected scholars are in heavy demand as examiners: the notion of actually having to perform as an external examiner at more than one university in any one year would be an alarming prospect.   The whole purpose of the external examiner system is, of course, to establish that something like common standards operate across the universities.   This provides the assurance on which the credit transfer arrangements depend. So, the external examiners will not merely see the examination papers and check, the marking (usually performed by internal examiners) of the examination scripts written by the students.   They will receive coursework from students and they will visit the university both to see the programmes being taught and to participate in all discussion of the examination results.   The views of the external examiners in university examiners' meetings are listened to with total respect.   Occasionally there are arguments, but the ultimate message from the external examiners is one that, in my experience, was always accepted without further question.

Very recently, external examiners have been identified as a key component of the process of quality assessment of academic programs in the universities.   It is proposed that the reports they provide to the academic department and to the university should be made public, at least in summary form.   The government is now talking about the need to provide external examiners with courses of instruction about what they should and, perhaps, should not do.   This may not be warmly received, particularly by the more senior members of the academic community, but it may be necessary in view of the much wider diversity of academic programs now being provided.

Quality Assessment of Teaching, Research, and Institutional Provision   This constitutes a major area of university cooperation about which I and many others have written extensively. Perhaps all that needs to be emphasised here are two points.   First, as peer review schemes, quality assessment exercises are totally dependent on co-operation between the universities.   Second, to note that the universities themselves both initiated and continue to exercise control over implementation of assessment.   It was not the government but the universities that undertook the first quality assessment

procedure in the 1980's.   At that time the intention was to establish that institutional arrangements to ensure quality control were appropriate and adequate.   Recent changes in the procedures for teaching and institutional provision under the Quality Assurance Agency (itself under the co-ownership of the universities) reinstates this prescription.   It is expected that changes planned for the research assessment exercise will similarly emphasise the necessity for university commitment and direction.

Joint Research Activities   Co-operation through joint research activities is implicit in the designation.   Many joint activities arise through recognition of mutual benefit through collaborative work.   Increasingly government and the Higher Education Funding Councils encourage institutional and departmental collaboration as a mechanism for fostering high quality research in circumstances where individual, small universities lack adequate resources.   In addition to laboratory facilities, these arrangements are particularly valuable in the access provided by university libraries provided to scholars and students from other universities.   Regrettably, in recent years the tradition of open access has begun to be limited by the decision of some universities to require visitors from other universities to pay an access fee.

More substantial collaborations are implicit in the major research centres that accommodate expensive research facilities funded by special grants from the Research Councils.   Typically these include high-energy particle accelerators and radiation sources; but in principle they also include facilities such as the inter-library lending system based on the British Library.

Universities UK   Most of the other aspects of university co-operation and exchange activities already discussed have been those of the academic functions of the universities, notably teaching and learning.   But, perhaps, the most important single collaborative exercise of the British universities is the activity which used to be performed under the heading of the Committee of Vice Chancellors and Principals (CVCP) and which has now been renamed Universities UK.   This is the body which formally is comprised of the vice chancellors, that is the presidents, of the British universities.   They meet regularly, they discuss all matters of common concern to the universities and they exchange views.   In particular, they have established, a central body, which is able to speak on behalf of all the universities.   Some years ago there was some difficulty in agreeing that a central body could speak for the individual, autonomous universities.   But this, indeed, has been the position for many years now.   The second function of Universities UK is to provide a resource centre for the universities.   There is a staff of some 50 people employed by Universities UK in its London office.   These provide expert advice and comment to the universities on the full range of university concerns from enrollment of students, to degrees, academic programs, financing, research, industry-university interfaces, and so forth.   But equally importantly, this allows the President of Universities UK, a university vice-chancellor, elected for 3 years, and the Secretary General to speak authoritatively for the universities and to speak directly to government.   The Minister of Education would certainly wish to

have the opinions of Universities UK before making any utterances about new university policies. The revision of the quality assessment process, which was announced last year, was done by the Minister after discussions with Universities UK and the Higher Education Funding Council. Although the interests of individual institutions may differ significantly, this has not impeded the ability of Universities UK to speak on behalf of all the universities on matters of policy, and especially on matters of funding.   At present its role as a powerful political lobbying organization is facilitated by the convenient circumstance that the Secretary General, Lady Warwick is a member of the upper house of parliament (the House of Lords) and is able to speak in government debates on education: whenever it is necessary her voice is heard very loudly in parliament.

Australia

Cultural Factors in Higher Education Mergers:

the Australian Experience

Kay Harman

University of New England

Oral Presentation

Cultural Factors in Higher Education Mergers:

the Australian Experience

Kay Harman[*]

Chairperson (CP): Keith J. Morgan

CP:

May I open the second day of this international seminar on merger and cooperation of higher education institutions in Australia, Japan and Europe.

Professor, we would have liked to hear from you yesterday, Professor Kay Harman has just arrived from Hong Kong in time for the party last night, but much more importantly, in time to deliver her paper this morning. Professor Harman is speaking on cultural factors in higher education mergers and first, her credentials for speaking in the area, are probably well-known to everybody here. She's worked in this area for some considerable time and indeed last year edited the special issue of the Journal of Higher Education dealing with mergers and the cultural implications of merging. So I think without any further chat from me, I will ask Professor Harman to deliver her paper.

KH:

Thank you Keith. I want to pay tribute to the people in the institute for inviting me here to Japan. I feel very welcome and I feel as though I am among friends and colleagues. So thank you very much, and I'm glad I did arrive last night in time for the dinner. That was just perfect timing.

As Keith indicated, I want to talk about cultural factors in higher education mergers, particularly alluding to mergers in Australia. I think you'll be very interested in the cultural dimensions, both good and bad. While merger as a policy issue in public higher education has attracted a great deal of scholarly attention, very little attention has been paid to merger as a cultural issue. And given the impact that culture has on all of institutional life, this is really very surprising. So I decided that it was time to address that problem and to look more closely at the cultural dimension.

The importance of culture in the merger process should never be underestimated because if it is ignored or not managed very well and with a lot of sensitivity, the impact on the morale and loyalty of staff can be devastating. I want to illustrate the power and the influence of culture by providing some examples of higher education institutions arising from mergers in Australia from the late 1980s on, and the cultural challenge that arose as institutional leaders tried to create integrated communities from the merging of cultures that were sometimes very different historically and symbolically. I'll give you

---

[*] Associate Professor, Centre for Higher Education Management & Policy University of New England, Australia

some good examples of where successful integration has been achieved but also where academic cultures collided, so becoming a very potent disintegrative force.

I hope that the situation in Japan will be a peaceful process with the rationalising and consolidation of teachers colleges and the melding of the medical universities into comprehensive universities. I hope that these will be a very peaceful process.

What do I mean by the cultural dimension of institutions? Here I'm really referring to the language, history, customs, traditions, beliefs, the stories that surround institutions, all of which are shared by a cultural group and influence their behaviour, and which are deeply embedded into their psyche and their identity. Culture represents an institution's spirit or soul which is passed on from one generation to another and that is sometimes very hard to understand. While institutional structures are very easy to see, their cultures are very elusive, they're all-pervasive, and often very difficult to understand. Like the wind, the influence of culture can be strongly felt, but very rarely seen, cultures can be at once forceful and strong, powerful yet subtle. And in institutional settings, culture is so embedded that it's virtually impossible to just unfreeze or turn off, or change overnight.

What I want to cover, this morning, is to look at culture as a variable in mergers or collaborations; I want to look at managing the cultural dimension, a very important task for institutional leaders, particularly three elements: consolidating academic programmes, managing the post merger phase, and dealing with culture conflict. (I should add that conflict needn't be all bad.) Then I'll look last at conclusions made from what I have covered.

Now in academic institutions, culture is a particularly powerful force. It's all around us in universities. Symbols are all around us. The first thing that I saw when I was coming into this campus by taxi last night was the Phoenix tree tower marking the University of Hiroshima. This is a strong and very powerful landmark which symbolises rebuilding, and rising from the ashes. It was a delight to see and it stands out very beautifully at night.

Still on symbols, if we consider, for example, university graduation ceremonies, with their processions, vivid gowns, hoods, caps, we begin to appreciate the historic symbolism of linking academe with ancient traditions, with antiquity. In universities, academics are the embodiment of a distinctive culture as they contribute to, partake of, protect, manage and sustain its traditions, ideals and values, and the many other expressive forms of symbolism which are peculiar to universities and academic occupational life and work. I want to look at just two myths of considerable value which are identifiable in the academic tradition. They are very important in the light of what happened during the mergers in Australia. When I refer to myths, I'm not talking about untrue things, I'm talking about myths in the strict anthropological sense – of strongly held beliefs and values that are shared by a group and that are passed on from one generation to another.

Two very strongly held academic myths are these. First there's the idea of collegiality. We all believe that governance in universities should be handled in a more collegial way. Even in these days of strong managerial tendencies; that myth is still very strong in university life – the idea of a

community of scholars guided by the dominant ethos of the medieval guild, and corporate decision making by a body of equals. It's a very powerful myth. Second is the idea of the 'true academic' (which was traditionally called 'academic man' but I'm calling it the 'true academic' to be non-sexist) – the scholarly expert altruistically committed to the higher ideals of the creation and transmission of knowledge, and bound to the liberal notions of academic freedom, and the unfettered capacity to pursue truth at all costs in a self determined way. At another level, loyalties to the various academic disciplines are also very strong, and disciplinary cultures surround us very closely.

Now let's have a closer look at what I'm talking about when I'm referring to academic culture. I'm looking at the symbolic dimension of academic organisation, that is more or less what I said before: traditions, myths, ideals, values and beliefs that have grown up around university life and work, and that guide behaviour. The culture has been transmitted from one generation to the next and is all-pervasive, that is, it goes right through the institution. These elements are deeply embedded and they're not easy to unfreeze or turn on and off at will. In a lot of the management literature you'll read that a leader can come in and change the culture overnight. This is not that easy when you've got history, beliefs and traditions that are deeply embedded. The thicker the culture where a greater degree of shared values and beliefs is evident, the more potent and stronger will be the culture's influence.

Especially where mergers are taking place culture is particularly significant. It's interesting that some scholars have said that the full potency of a culture can be seen during a merger or an acquisition, when two disparate cultures are forced to become one: "Organisations that may appear to be highly compatible on the surface, and that seemingly should be able to achieve valuable merger synergies, can have underlying cultural differences that seriously threaten their integration; organisational members are usually so embedded in their own culture prior to major organisational changes that they rarely fully realise its influence on their behaviour". So culture is a very powerful influence.

Now as Grant and Richard have already indicated, in Australia in the late 1980s mergers occurred between a number of institutions, both inter-sectoral, that is to say between same sector institutions, and cross-sectoral (or vertical) mergers. The old binary policy supporting a university/college divide quickly disappeared and created in its place was the unified national system that they talked about yesterday. Now virtually overnight and following many instances of 'shotgun marriages' or as some of my Indian colleagues would say, 'arranged marriages', 19 publicly funded universities and around 44 colleges of advanced education were transformed almost overnight into universities. This was a major shake-up, a major restructuring of higher education in Australia. The former colleges were typically specialised, single purpose institutions and, like here in Japan at the moment with your colleges of education, government thinking was to move to more comprehensive institutions during a period of rapid and substantial growth in the higher education sector. We were very fortunate in Australia to have merging occurring at a time of very substantial growth and that made a big

difference because there was money available, the incentives were there, but I won't go into that this morning.

Just briefly and a quick reminder that between the 1970s and 1989 Australia had a binary system of colleges of advanced education and universities. 1989 saw the end of that with the setting up of a unified national system comprising just 35 universities.

I'll move on to talk about some of the challenges of merging very different cultures, and I'll give you some examples, but before looking at those examples I think it would be very useful to look at the different kinds of academic culture that existed in the colleges and the universities just prior to the mergers taking place. The colleges if you remember were just single purpose institutions, so their role was quite different, they were not funded for research and they were not allowed to offer PhD programmes. They concentrated more on applied programmes such as teacher education. The colleges all assumed university status when the binary divide was dissolved. Now differences in academic culture between the two were really quite marked, and they can be seen most, I think, in academic roles, professional loyalties, the value ascribed to teaching versus research, reward structures, and governance. The roles of university academics were very ambiguous, meaning that they were very unclear and marked by divided loyalties to the profession, to their disciplines and to outside professional bodies. The colleges had roles that were much more clearly prescribed, mainly teaching and working with professional bodies such as teachers, people in hospitals and the like. Professional loyalties in universities, and it's still the case, were directed more to the discipline and learned societies, what Gouldner and colleagues refer to as being more 'cosmopolitan' and outward looking. In the colleges loyalties were much more directed to the institution, to teaching and the respective professions, reflecting much more a 'local' orientation. I'll come back to this cosmopolitan-local divide later.

In the colleges teaching was highly valued, while in the universities there was a strong research culture and less value ascribed to teaching. This situation has changed somewhat since mergers. There's much more value now ascribed to teaching and Richard will back me up here I hope. In the colleges there was much less emphasis on research, although some research did take place, but teaching was highly valued. Reward structures in the universities, and of course this is still the case, had research as a key criterion for scholarly recognition and promotion, where teaching and service to the profession were much more important in the colleges. Governance structures were very different – universities with collegial, democratic decision making – while in the colleges, decision making structures were much more hierarchical and bureaucratic. These cultural differences were <u>very</u> important when it came to the melding together of institutions, particularly in the case of cross-sectoral or vertical mergers.

Now I'll concentrate only on three aspects, as I said at the beginning: challenges associated with consolidating academic programmes; managing the post merger morale and community building phase; and dealing with culture conflict. During merger, key decisions have to made about curriculum

offering, and how to bring academic programmes together, and this project necessitates long term investment, and results are not likely to be immediate, a situation which no doubt affects morale of faculty, both faculty administrative and service staff and students, indeed the whole institution. Curriculum review processes that involve restructuring the academic programmes are typically marked with cultural, territorial and seniority-based conflicts, coupled with anxiety and confusion amongst faculty and administrative staff alike. I'll give you an example of how one Australian institution handled restructuring of academic programmes without spilling too much blood on the floor. Charles Sturt University in New South Wales was formed from the amalgamation of two regional multi-school colleges of advanced education in New South Wales, in other words it was a horizontal, inter-sectoral merger, perhaps a little bit easier from that point of view. When this university was formed from these two colleges, it was found that both of them had a similar curriculum and delivery profile, there was a lot of duplication, both were involved in distance education, they offered similar curricula, and consequently there was a great deal of duplication.

In order to address these problems faculties were set up that spanned the campuses. Academics within each faculty were given the responsibility themselves for rationalising the duplication. The reason given for this was that these were the people who had to live with the decisions that they made, so it was better for them to actually handle the particular situation. Funding for academic programmes was devolved to faculties from the centre, and as we'll see in a minute, that funding was very important in terms of getting integration. Now the approach adopted and enforced by the new Vice-Chancellor was what could be described as a decentralised integration model. I'd put it a little bit stronger than that. I think it was a strongly integration model. He deliberately discarded the federated model which the university of New England, (UNE) had adopted. The University of New England adopted a federated model where each of the campuses had quite a lot of autonomy and at the end of 1993, that university broke apart. The model just didn't work. There were a number of reasons for this, and Grant and others have written quite a lot on why that merger didn't work, but we can talk about that later. So the Vice-Chancellor at CSU developed an integrated model which was fiercely resisted at first, but strong leadership from the top and new appointments of senior management who shared the vision ensured that the model worked. So it was important to make new appointments that shared this integrated vision. And essentially what happened was that the autonomy of the old campuses and allegiances to their structures and cultures were consciously attacked by the new approach, and new ones emerged. This was a very interesting case of strong leadership from the top, appointing people who shared the vision, getting the people at the coalface to make the changes that they had to live with, and also devolving funding to the faculties to secure tighter integration.

Just a little bit about post-merger morale and community building. A lot of the literature that you read is actually on the process of merger and the legal and managerial aspects of mergers. Not too many concentrate on the human and cultural side of merger, building morale and a sense of community and on the various ways that this can take place. Actual practice and the literature tell us

that most institutional mergers, apart from being potentially wasteful of human and material resources, can inflict a lot of pain and anxiety, they can be very disruptive, and they can take years to settle down. Thus morale and community building are very important in the newly created institutions, and it's a crucial role for leaders to ensure that this occurs. Now the Vice-Chancellors of three universities in Australia saw the importance of these particular features – morale and community building, and building a sense of community. The three universities that I want to look at to illustrate are Wollongong, in New South Wales, just a bit south of Sydney; Charles Sturt University, which we've just talked about, and Central Queensland University, which came together via an amalgam of colleges. I've already indicated that it's no easy task for leaders to build a very coherent educational community and this highlights the importance of the post-merger consolidation and community building phase. Also, as we've just seen, in many cases old loyalties need to be broken down and redirected to the newly created institution. I suppose this might sound a bit strong but it's very true that if the settling down period is not managed effectively and with great sensitivity the impact of merger on the morale and loyalty of all staff can be devastating and on students, I would add.

Way back in 1982 the then Vice-Chancellor of the University of Wollongong was involved in a merger with a nearby institute of advanced education, which was integrated into the university in 1982. Ken McKinnon was very much aware of the importance of morale building and the human factor in the newly created institution, and six years after that merger he noted, "I've come to realise that academic insecurity is endemic, so I cannot claim that morale is good or easily sustainable, but it's probably more robust than morale in most institutions". So although morale wasn't as strong as he would have liked, at least he'd been working on that, he and many of his staff, to ensure that it had been more robust than in other institutions.

The Vice-Chancellor of the newly created Charles Sturt University focused on building integrated organisational structures and funding mechanisms, and the funding mechanisms were particularly powerful instruments for getting integration. He appointed new leaders who shared the new vision and developed a corporate image with symbols to constantly reinforce the oneness of the institution. They developed new symbols and gave up the old. The new order consciously broke up the old power structures and loyalties. Now the period of consolidation that followed, although disruptive for many, was essential in creating a new community and identity in which loyalty to the new institution was very important. And Charles Sturt University I think we could say has been a success story in terms of building very integrated structures, very strong growth, and it's been managed very effectively. Now, in a similar way in 1994, the University of Central Queensland designed and implemented a new corporate image, changed its name, which was very important, to Central Queensland University. Both of these things symbolised a new unity and a very strong association with the geographic region that was quite important, in the whole scheme of things.

The last thing I want to talk about is managing academic schisms, or managing cultural conflict. While in some institutions this has been managed very well, in other institutions it has not. I'll

provide some negative examples, so that we can learn from those. Culture conflict has proved to be the norm in most post-merger times, in most institutions, especially those that have come together from very different cultures, particularly university-college (cross-sectoral) mergers. Trying to change of merge cultures creates a lot of tension which needs to be very sensitively handled. Two scholars point out that trying to change cultures is very difficult, "During the post-merger period, the development of a new culture that deals with a large number of individual needs and anxieties, facilitates interpersonal relations, accommodates conflicts, at the same time adapts to new circumstances is an inherently difficult and time consuming task. Simple prescriptions such as 'change the culture' often ignore the time and effort involved in the change process". Now, culture conflict was particularly apparent in the University of New England merger with the local college of advanced education. What happened was that the former faculty of education in the University of New England and the local college of advanced education, which was about two kilometers away, merged. And in the merger process a new faculty was set up called the Faculty of Education, Nursing and Professional Studies. What was once the Faculty of Education, now became a tripartite faculty which in itself was really set up for conflict. From the start the merger on this campus was marked with antagonism, coupled with entrenched rivalries and opposing academic values, as I mentioned before. Also, and this was really important, the college staff outnumbered considerably the university staff, a situation which often caused considerable angst, especially when issues came to the vote, and I'll talk about this in a minute.

All this happened about 14 years ago and the clashes were mostly based on the cosmopolitan/local divide. Remember I talked about the loyalties of university staff to their discipline and profession being 'cosmopolitan' and the college loyalties being more 'local' in terms of links with the profession and teaching? These became very evident in the merger between the former faculty and the college. Academic status became a big issue. What happened was that the Vice-Chancellor at the time thought it would be a generous offer to the college of advanced education people joining, to make what were then principal lecturers into associate professors overnight. Now, at the University of New England Faculty of Education, I think something like only three people had been promoted to associate professor over about five years, and to suddenly have about 13 associate professors overnight was rather galling to the university people. They thought that was terrible. It was particularly bad for the people who were 're-badged' as the process was called then. The term was a real put down for the people who had been made associate professors, because the university people said it was just a matter of 'rebadging' and they weren't the real thing, they hadn't gone through the proper promotion round. So that issue caused a lot of angst. The different approaches to teaching were apparent, where the university people were very much tutorial-oriented, and usually the university lecturer had their own subject and taught their own subject. This was very different from the college style - they team taught, they taught more (much more), they had more contact hours, and it was a very different kind of set up. So there were conflicts about teaching. The value placed on teaching versus research was also an

issue. University people in the faculty saw themselves as researchers first and teachers next, and the people from the college coming in saw themselves as teachers first and research was something you did if you had enough time. So there were clashes in this area as well.

Another important area of collision was the political allegiances of the old college staff. Remember I said that the numbers of the college people joining our old faculty, were many more than the former university folk? Now whenever we had faculty meetings in those days, and I can remember them well (so can Grant), the college people would often caucus beforehand, so that they would have a block vote. The university people of course were all over the place because faculty meetings were run a bit like a seminar – you argued over things and then you took a decision and there was no caucusing. So in faculty meetings our university people got outvoted every time, and that was a great cause for concern. So these were the main things the cultural clashes were based on. I might add that a remnant of these clashes still exist nearly 14 years later and I think it's going to take another generation for these problems to disappear.

Let's move on to conclusions. In any merger there's going to be both winners and losers, and the impact on individuals is going to be mixed. Those affected tend to feel very disoriented, unsettled, frustrated, unprepared for change and unable to compete with the demands of the newly created institutions. So what can we conclude, from all of this, from these pictures that I've painted, both good and bad? I think we can say that whether institutions merge voluntarily, which is probably the ideal, or by edict, where they're forced to merge, the challenge of developing from very different cultures, an integrated culture of shared loyalties, values, attitudes and conditions, is a mammoth task for leaders. However, integration of cultures does not equal assimilation. It can, but usually it doesn't because there's either still remnants of other cultures existing, or one can get completely swallowed up by the other. Retaining aspects of different cultures is desirable and many levels of cultural integration are possible. I've outlined these a lot more in the paper.

Now I think we'd all agree that the concept of an integrated 'happy family' culture based on consensus is not a realistic or useful way to view institutional culture. However if a common culture means that people can agree on a basic framework of values, but disagree on some of the technical issues, then I think that's a very good start. Conflict is an inherent or an existing characteristic of all healthy higher education institutions, particularly intellectual conflict, which is a very healthy part of it. But compromises do have to be made in any merger or cooperative venture. It's therefore important for each partner to have a win in the process of merger. Psychologically and symbolically I think this is very important. For leaders, appreciating the subtle differences of conflicting cultures, and managing conflict effectively, are critical elements of good leadership. Visionary, transformational leadership from the top is seen as the critical factor in assuring a successful merger.

I think we've gone over this but when very deeply embedded cultures and institutions or very different institutions collide they become a very potent force that can retard or prevent organisational change. This certainly happened in the case that I outlined between the former UNE Faculty of

Education and the college of education. It's therefore important in managing the cultural dimension in any newly merged institutions, to establish newly integrated structures, build morale and new loyalties and develop a sense of community. These aspects should never be ignored or underplayed.

It's important too for leaders to be sensitive to issues such as the rate at which change might be implemented, probably the quicker the better. If it's left too long it's not a good thing, but too quickly can also be quite damaging. Inherent stresses and tensions related to different academic cultures, historical conflicts, economic and political pressures, and the professional scholarly divide are all critical dimensions to take into account. Understanding and dealing with cultural differences is a big leadership challenge. A particular challenge I think for leaders/managers of changing higher education institutions is to capitalise on promoting positive forces, identify and manage effectively resisting forces and try to work towards a cultural shift that is strategically determined (with planned, priorities set), and that has wide acceptance by all key stakeholders. This is a very difficult task.

Also, as we've seen, integrated structures, appear at least in the Australian experience, to work better in developing academic coherence and loyalty in newly merged institutions than federated structures.   And the budget, as we've seen, can be a very powerful instrument in developing integration. There's much to be learned from institutions in other countries like ours, that have gone through the agony and the ecstasy of merging.

Now I've finished three minutes before time Mr. Chairman, so we can have plenty of time for discussion. Thank you very much.

References

Buono, Anthony R. and Bowditch, James L. (1989). *The Human Side of Mergers and Acquisitions – Managing Collisions Between People, Cultures, and Organizations.* San Francisco: Jossey-Bass Publishers.

Carlson, Bryan E. (1994). 'Presidential Leadership and the Mutual Growth Concept', in Martin, James, Samels, James E. & Associates (eds) (1994), *Merging Colleges for Mutual Growth—A New Strategy for Academic Managers,* The Johns Hopkins University Press, Baltimore, pp.59-74.

Charlesworth Max (1987). 'Confronting the Athenians: Universities and Social Responsibility', Paper presented at the University of New South Wales National Conference, *The University and Education for Social Responsibility.*

Clark, B. R. (1983*). The Higher Education System: Academic Organization in Cross-National Perspective*. Berkeley and Los Angeles: University of California Press.

Commonwealth of Australia (1988). *Higher Education – a policy statement*. Canberra: ASGPS.

Goedegebuure, Leo (1992). *Mergers in higher education – A comparative perspective,* Centre for Higher Education Policy Studies, University of Twente, Enschede.

Gouldner, Alvin (1957-58). 'Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles', *Administrative Science Quarterly* 2 (3) 281-306; 2 (4) 444-480.

Harman, Grant (1993). 'A Merger that Failed: The Case of the University of New England', *Higher Education Quarterly* 47 (2), 120-141.

Harman, Grant (2000). 'Institutional Mergers in Higher Education in Australia Since 1960', *Higher Educational Quarterly,* 54 (4), October, 343-366.

Harman, Grant and Robertson-Cuninghame, Rob (eds) (1995). *The Network UNE Experience— Reflections on the Amalgamated University of New England 1989-1993,* Department of Administrative, Higher and Adult Education Studies, UNE, Armidale.

Harman, K. M. (1989a). 'Culture and Conflict in Academic Organization: Symbolic Aspects of University Worlds', *Journal of Educational Administration* 27 (3), 30-54.

Harman, K. M. (1989b). 'Professional versus academic values: cultural ambivalence in university professional schools in Australia', *Higher Education* 18 (5), 491-509.

Harman, Kay (2002), 'Merging Divergent Campus Cultures into Coherent Educational Communities: Challenges for Higher Education Leaders', *Higher Education* 44 (1), 91-114.

Hatton, Elizabeth J. (1997). 'Charles Sturt University: A Case Study of Institutional Amalgamation', project working paper, University of New England.

Hodgson, Peter G. (1996). 'Charles Sturt University: An Amalgamation of Equal Partners', in Dahllöf, Urban and Selander, Staffan (eds) (1996). *Expanding Colleges and New Universities. Selected Case Studies from Non-metropolitan Areas in Australia, Scotland and Scandinavia,* Department of Education, Uppsala University, Uppsala.

Martin, James, Samels, James E. & Associates (eds) (1994). *Merging Colleges for Mutual Growth: A New Strategy for Managers,* Johns Hopkins Press, Baltimore.

Martin, James and Samels, James E. (1994a). 'Conclusion: The Mutual-Growth Process – Myths and Realities', in Martin, James, Samels, James E. & Associates (eds) (1994), *Merging Colleges for Mutual Growth: A New Strategy for Managers,* Johns Hopkins Press, Baltimore, pp. 227-238.

Martin, James and Samels, James E. (1994b). 'Achieving Academic Excellence through Strategic Mergers: A New Approach', in Martin, James, Samels, James E. & Associates (eds) (1994), *Merging Colleges for Mutual Growth: A New Strategy for Managers,* Johns Hopkins Press, Baltimore, pp. 3-21.

Massingham, Peter (1994). *An Examination of Australia's Federated Network Universities From An Interorganizational Relations Perspective,* unpublished PhD thesis, University of Wollongong.

McKinnon, K. R. (1988). 'United We Stand…The Process of Amalgamation at Wollongong University', in Harman, Grant and Meek, V. Lynn (eds), *Institutional Amalgamations in Higher Education—Process and Outcome in Five Countries,* Department of Administrative and Higher Education Studies, University of New England, pp. 105-120.

Meek, V. Lynn (1995). 'An Insider's Outside View', in Harman, Grant and Robertson-Cuninghame, Rob, *The Network UNE Experience – Reflections on the Amalgamated University of New England 1989-1993,* pp. 123-140.

Norgard, J. D., & Skodvin, O. (2002). 'The importance of geography and culture in mergers – a Norwegian institutional case study', *Higher Education* 44 (1), 73-90.

Pettigrew, A. M. (1979). 'On studying organizational cultures', *Administrative Science Quarterly* 24 (4), 570-581.

Pritchard, Rosalind (1993). 'Mergers and Linkages in British Higher Education', *Higher Education Quarterly* 47 (2), 79-102.

Skodvin, Ole-Jacob (1999). 'Mergers in Higher Education – Success or Failure?', *Tertiary Education and Management* XX (1), 1-16.

Scott, Roger (1988). 'The Amalgamation of James Cook University with the Townsville College of Advanced Education: Preliminaries to Implementation', in Harman, Grant and Meek, V. Lynn (eds), *Institutional Amalgamations in Higher Education—Process and Outcome in Five Countries,* Department of Administrative and Higher Education Studies, University of New England, 11-37.

Temple, Paul and Whitchurch, Celia (1994). 'An International Perspective: Recent Growth Mergers in British Higher Education', in Martin, James, Samels, James E. & Associates (eds) (1994), *Merging Colleges for Mutual Growth: A New Strategy for Managers.* Baltimore:Johns Hopkins Press, pp. 209-226.

University of New England (2002). *Promotion of Academic Staff,* Website: http://www.une.edu.au/offsect/promotion.html

Wilson, Geoff (1996). 'Central Queensland University: An Expanding Multi-campus Institution in a Growth Area', in Dahllöf, Urban and Selander, Staffan (eds), *Expanding Colleges and New Universities. Selected Case Studies from Non-metropolitan Areas in Australia, Scotland and Scandinavia,* Department of Education, Uppsala University, Uppsala, pp. 107-116.

Yonezawa, Akiyoshi (2002), 'The Impact of Globalisation on Higher Education Governance in Japan', National Institution for Academic Degrees, Japan.

Session 6

General Report and Concluding Remarks

Grant Harman

University of New England

Oral Presentation

General Report and Concluding Remarks

Grant Harman

What I want to do is to make a few remarks to provide an overview report. Of course this is my personal impressions and I'm a visitor, and so you have to keep this in mind as you listen to what I say. Here then is a visitor's personal impressions of the discussions we've had. I'll try to draw not only from my own presentation but from the various presentations at this conference. I will also try to link our discussion to the broader contexts and to the international research cooperative endeavour in which we're involved.

These are the topic areas I'll cover very briefly: mergers and cooperation, the general topic; I'll say something about conceptualization and frameworks because it's very helpful to think about the way we organize our knowledge since this has an important influence on the questions we raise, the relationships we see and the bodies of scholarship and theoretical knowledge in which we develop. I'll say something about the merger literature internationally. Then I'll take some risks to make a few personal comments about my impressions of mergers in Japan based on Professor Hata's presentation and paper. Next I will try to summarise what the international literature tells us about mergers, drawing particularly on the paper by Richard James, say something about new directions in collaboration and networks.

Now the topic of the seminar has proved to be very rich and interesting. Important changes are taking place in our higher education systems, not only in Australia and Japan, but also in many countries around the world. We're going through a period of intense and fundamental change, and what's happening is going to have quite long term effects on our institutions, on the work they do and how they operate, how they relate to communities and how they serve their various societies. With a process of rapid change, it's very difficult to predict some of the outcomes. However, it seems highly likely that the universities and colleges as we know them today are going to be quite different in a decade or beyond. What's going to be the result of commercial collaborations such as Universitas 21 Global, that Richard James talked about yesterday, where major research universities agree to combine with a major publishing house and create something that is not either a publishing house or a university, but some kind of mixture. We talked about mass markets, about the export of services around the world.

There are many important drivers for mergers. I think that we recognized this in our discussions. There are numerous drivers for various forms of institutional linkage and collaboration. Various speakers have referred to international competitiveness and globalization. There are many subtle

effects. They're not just economic, but they're social and they're cultural. We've referred to the role of national governments in higher education reform and rationalization efforts. In many countries like Japan, national governments are playing a very important role in the changes that are taking place. The role of national governments to a large extent is directed towards economic objectives, economic management, trade between countries, and competitiveness for the future. At the same time, there are important academic and research agendas that are operating. Academic s themselves are driving some of these developments. There's a lot of benefit that academics themselves can achieve through collaboration with colleagues in other places, nearby, regionally, nationally, internationally. As well there are various commercial and financial motivations and pressures. I thought that Richard James and others brought that out very well yesterday. These are important drivers and what's happening of course is that our universities in a number of countries and not only institutions that are involved in teaching and research, but they're also involved in commercial endeavours, in raising funds to support their own activities and to grow. There are pressures operating from many of our universities on governments. It's not only governments taking action, sometimes against what universities see as their interests, but also universities are asking governments to provide more funding, to put in place new mechanisms. So there are very interesting interplays going on between our own universities and governments.

In the discussions I think that one of the points that came out is the importance of politics broadly defined, and political analysis. I think Professor Kaneko made that point in the discussion yesterday. It's a very important point. In thinking about mergers and collaborations I think it's very important to give attention to national government political agendas, what actually governments are trying to achieve. In a number of countries there's an unwillingness of governments to close weak or failing institutions, public institutions. Generally governments are not very worried about private institutions; that's a matter for the corporations or the owners to worry about. But in terms of public institutions, it's very difficult for government at any level to close institutions. In any community, there's always opposition to institutional closures; communities are loathe to see a local institution close.

Also it's interesting to look at political motives at the level of institutions and academics. Institutions and academics in many senses in this merger/collaboration business are as political as governments. In our research, it's important to try to tease out who are all these players in mergers and in collaborations? What are their interests? What are they trying to achieve? What interests are they seeking to serve and how are they going about that? As I mentioned yesterday I've had some recent experience with Kay in South Africa. We've had three visits to South Africa in the last fifteen months; they're going through very interesting and important mergers. In the last four or five years, they've had a very similar development to those proposed here in that single purpose teaching colleges and other specialist institutions have been drawn into universities. Jonathan Jansen, who is the Dean of the Faculty of Education at the University of Pretoria, and colleagues have done very interesting studies which bring out the politics that go on within merger processes. If you're interested and a have

a look at the Jansen studies you'll find very nice categorization of various kinds of politics, what he calls 'street politics', 'corridor politics', 'and bureaucratic politics'. He fleshes out the various kinds of political activity.

I mentioned earlier a point about conceptualization. This is very important. In this whole area that we've talked about we need to try to conceptualize the multitude of organizational, commercial, teaching, research linkages - there's a whole range of them going on, and I'm not sure that we've got a very good grasp on what they all are. I use the idea of a continuum, but it has limitations, as Richard James quite rightly pointed out. At the same time, the continuum that I used going from very loose academic collaboration on the one hand through to mergers with a unitary structure has some utility. I think it's useful in setting mergers in a broader context of institutional linkages. We need to keep telling ourselves that there are many different ways of linking different kinds of institutions. In some countries, governments and institutions get in the way, thinking that the only useful kinds of linkages that are worthwhile are mergers or amalgamations. But the point I want to make that came out in the discussions is that there is a whole range of different mechanisms of institutional linkage.

I think there is value in trying to develop new ways of thinking about these forms of linkage, these phenomena that we've been talking about, and looking for new ways of classification. Now classification is not the only thing we do in our research, but often it's very useful to try to look at a whole range of phenomena, and see whether we can develop groups of common phenomena and then define their characteristics. This often helps us to pose further questions and develop theories.

How we might best conceptualize and classify for example cross nationally, including international linkages and new forms of commercial linkage. There's a range of interesting things happening internationally that I haven't thought through and I haven't got a good grip on. It would be very useful if we were able to proceed and try to tease out the various forms of linkage and identify some of the commonalities.

The merger literature, and especially in a number of the papers referred to by presenters, there is a range on important ideas. A lot has been produced in the past twenty or thirty years. At the same time, I think it's important to recognize that the literature is still limited. There are many gaps. Like merger activity itself, you will find that merger research in any country tends to be spasmodic. While there are proposals for mergers and a lot of mergers going on, this will attract considerable attention. Then when there's a period of stability, when there's hardly any talk of mergers, naturally attention of both governments and researchers, changes to other topics. The literature that we have focuses particularly on local issues and circumstances. It's largely uncoordinated and there's been relatively little synthesis in trying to bring the findings together. Much of the literature takes the form of detailed case studies, case studies of single mergers or small groups of mergers. A lot has been written by the participants, by the people involved or close observers. This has tremendous advantages from one point of view. It means that the people who have been involved or the close observers often have easy access to a tremendous amount of documentation, and access to talk to people involved. On the other hand, if you

get involved in any merger you will know that it's a very emotional experience and it is often important for social researchers to get some distance from their research subjects. Much of the literature that has been produced has not resulted in journal articles in the leading journals and in major books. Rather most of the output from research takes the form of articles in local journals, or research theses in our produced by master's or Ph. D. students.

There are strengths in the literature. We know a considerable amount about governments and mergers, particularly the links between national reform efforts and mergers in a number of countries, including Australia, the UK, Norway and South Africa as examples. We know quite a bit about merger negotiations and the implementation processes. We have many case studies of on which we can draw. A considerable amount of knowledge is available about the immediate impact of mergers on the lives of individual administrators, academics and other university and college staff. But we know far less about how the cultural factors we discussed this morning actually operate, about the strategies for welding different and non-complementary institutions together to develop coherent educational communities. Financial and the other costs of mergers are not often well documented. The general experience is that mergers cost much more than anticipated by governments or the institutions themselves, and we know relatively little about the longer-term effects both on economies of scale and of academic programs. There is quite a bit of literature on economies of scale, but I don't know of a single article or monograph that really pulls this together well and shows the findings of economies of scale in relation to merger exercises. There's very little documented about good practice in merger negotiations and implementation. I suggest that it would be useful for many countries if some of the good practices, some of things that have worked well, were documented so that that could be shared.

As an outsider looking at the situation here, I think there is a great opportunity for Japanese scholars to make very important contributions, building on the international literature. As an outsider looking at the Japanese experience, here are a few brief impressions; now I might have got this completely wrong and if so I apologize.

It seems to me that Japan has had a long history of mergers and that mergers have been used frequently in the past in institutional building. I've heard particularly about this institution and the way that mergers have been a very important. Of course this is a major theme across a number of countries. Both Australia and in the UK provide good examples in the late 19th century and early twentieth century how combinations of institutions were used to build new institutions. It seems to me that the current plan for extensive mergers affecting national universities is really a very extensive merger operation. This is highly unusual, it's only happening in a relatively small number of countries at the present time. South Africa is one important other case that I know about, where there is a very extensive government plan. What is also somewhat unusual here is the focus on national universities. In many countries in the past the main focus of mergers has been on non-university higher education, particularly fragmented systems where there are numerous very small institutions. My understanding

is that Japan is talking about some of the leading institutions, many of them being quite substantial institutions in their own right. As in a number of other countries, it seems to me that the merger agenda is being driven very much by the national government as part of a more general reform effort. While it is government driven, I was interested in Professor Hata's paper to notice that it appears in the past two or three years many universities are cooperating, or at least being willing to support, the merger plans. How far that goes I don't know. But is seems important to note that there is at least some level of cooperation from the universities themselves. Similar to many other countries, there has been the effort of drawing teachers' colleges and other single-purpose institutions into comprehensive or general universities. It is a broad trend and I think we learnt this morning about the Chinese experience. Somewhat similar in Vietnam the higher education sector was influenced by the same kind of Soviet model. The merger drivers here, as I listened to Professor Hata and read his paper seemed to be one of strengthening of universities, and cutbacks due to oversupply. This has steered the sector towards more comprehensive institutions. I noticed in a comment that Professor Hata made it seems that the national government could possible play a more supportive and creative role in the merger process. This is a very important point to draw on internationally. In a few notable cases governments have played a particularly creative and supportive role, not only legislating and deciding what should happen, but in doing persuasion, financial support, providing detailed protocols, making suggestions, bringing people together, trying to tap into academic expertise and making it available.

One issue that came up in the discussions was that of whether merging of campuses is desirable or sensible, because it's possible to merge institutions and still keep separate campuses. You don't necessarily have to put people side by side. The Australian experience is that many of these new comprehensive, merged universities are multi-campus and multi-site. They just don't operate on a single campus but they operate on two, three, a dozen, twenty different campuses. Some campuses are very small but with modern communications technology it is possible run efficiently highly integrated universities. As Professor Hata suggests in his paper, it may be wise in any society to consider some looser combinations as well as mergers. There's an interesting case in London, or just out of London, where the University of Surrey and Roehampton Institute have formed a federation that was largely institutional driven. This new combination seems to be working reasonably well. It's an interesting model.

A very important point though, that I think came up in the discussion was how well merged universities will relate to their local communities. This is a very important point because I understand there's been a strong tradition here of close and beneficial relations between universities and their local communities. Certainly you wouldn't want to break that tradition.

There are lots of lessons that we can draw from the international merger experience generally. Voluntary mergers, or at least institutionally supported ones, seem to work best. Governments are generally not good at explaining to the academic community and to the wider community what their motives really are, or what they want to achieve. One of the dilemmas for government is that

governments often have mixed motives, and they don't always spell out the detail. This leads to a certain amount of ambiguity and a range of difficulties.

Governments have a range of policy instruments that they can use to reshape higher education institutions. Some are very blunt and harsh instruments. They're like using a sledgehammer. But there are a lot of other more subtle persuasive incentive mechanisms that governments can use. I think it's a wise for any governments to think about the range of possible policy instruments available.

In our discussions, there was some skepticism about the advantages claimed for mergers. I think that's proper to be skeptical because there is a tendency for governments, or whoever is selling mergers, to over promise. Merger proponents often create a vision of the ideal world, and often don't mention the possible problems. We know that mergers generate considerable pain and conflict, and the merger processes often takes a lot more time and are more costly than anticipated. But in many situations, despite the pain and conflict, mergers have worked reasonably well. There are very few examples around the world where institutions that have merged have actually split apart.

The experience is that federal structures are more difficult than unitary structures, especially in terms of achieving academic and organizational integration. On the other hand, federal structures are more easy to achieve and, in certain circumstances, can work quite well.

In discussing the financial consequences of mergers it's very important to separate capital and recurrent costs, particularly in systems where there is likely to be future growth in student enrolments.

There are important points about modern communications technology.

We've talked about new forms of collaboration and, as I listened to the discussion, my impression is that they are far more varied, extensive and complicated than many of us had realized. They cover local, regional, national, international. We have both governments and institutions involved in these various kinds of collaboration. Sometimes the higher education system and the government are in agreement, but sometimes they've got different interests and there's a degree of conflict. There are interesting new forms of collaboration particularly based on the export of educational services and links with corporations. These raise very important issues about quality, about quality assurance, about the protection of consumers, about the employability of graduates.

Export of education also raises major management and academic issues for the providers. They also raise issues in the customer countries such as about cultural imperialism and presenting values opposed to local social and cultural values and ways of seeing the world. It's possible that this kind of activity also undermines local capacity. In my discussions with UNESCO people, I have heard voiced particular concerns about small developing countries, particularly in this region, about their ability to control the entry of foreign providers and to make sure that the consumers, the students, are well protected.

Outline of Seminar

International Seminar on Mergers and Cooperation among Higher Education:

Australia, Japan and Europe

Hosted by Research Institute for Higher Education, Hiroshima University, Japan
Date: February 17–18, 2003 (One and Half Days)
Venue: Faculty Club, Hiroshima University

Program

Monday, February 17, 2003

Chairperson: Prof. Futao Huang, Hiroshima University, Japan
  9:30- 9:45   Opening Ceremony
  9:45-10:30   *Comparative Perspectives on Mergers in Higher Education*
                      Prof. Grant Harman, University of New England, Australia
10:30-11:00   Discussion based on the presentation above
11:00-11:15   Break
11:15-12:00   *Mergers and Cooperation of Higher Education Institutions in Japan*
                      Prof. Takashi Hata, Hiroshima University, Japan
12:00-12:45   Lunch

Chairperson: Prof. Yoshihito Yasuhara, Hiroshima University, Japan
13:45-14:30   *International Cooperation and Exchange of Universities in Austral*
                      Prof. Richard H. James, Melbourne University, Australia
14:30-15:00   Discussion based on the presentation above
15:00-15:15   Break
15:15-16:00   *Co-operative and Exchange Activities of British and other European Universities*
                      Prof. Keith J. Morgan, Hiroshima University, Japan
16:00-16:30   Discussion based on the presentation above
18:00-20:00   Reception Dinner

Tuesday, February 18, 2003

Chairperson: Prof. Keith J. Morgan, Hiroshima University, Japan
  9:45-10:30   *Cultural Factors in Higher Education Mergers: The Australian Experience*
                      Prof. Kay Harman, University of New England, Australia
10:30-11:00   Discussion based on the presentation above
11:00-11:15   Break
11:15-12:00   *General Report and Concluding Remarks*
                      Prof. Grant Harman, University of New England, Australia

List of Participants

<div align="right">(as of February, 2003)</div>

Panelists

Grant Harman, Emeritus Professor, University of New England

Kay Harman, Associate Professor, University of New England

Takashi Hata, Professor, Research Institute for Higher Education (RIHE), Hiroshima University

Richard H. James, Associate Professor, University of Melbourne

Keith J. Morgan, COE Research Fellow, RIHE, Hiroshima University

Chairpersons

Futao Huang, Associate Professor, RIHE, Hiroshima University, Japan

Keith J. Morgan, COE Research Fellow, RIHE, Hiroshima University

Yoshihito Yasuhara, Professor, Hiroshima University

Katsuhiro Arai, Professor, Tohoku University

Motohisa Kaneko, Professor, The University of Tokyo

Kaoru Narisada, Professor, Hiroshima University

Katsuya Senba, Professor, Hiroshima University

Hirotoshi Yamasaki, Professor, Hiroshima University

Yuki Inenaga, Lecturere, Kagawa University

Jandhyala Tilak, Visiting Professor, Hiroshima University

Hideto Fukudome, Graduate Student, Hiroshima University

Tsuyoshi Kushimoto, Graduate Student, Hiroshima University

Atsushi Miyake, Graduate Student, Hiroshima University

Masakazu Takeuchi, Graduate Student, Hiroshima University

Hui Wang, Graduate Student, Hiroshima University

Kazuhiro Mori, Director and Professor, RIHE, Hiroshima University

Akira Arimoto, Professor, RIHE, Hiroshima University

Ikuo Kitagaki, Professor, RIHE, Hiroshima University

Atsunori Yamanoi, Professor, RIHE, Hiroshima University

Tsukasa Daizen, Professor, RIHE, Hiroshima University

Takeshi Nagasawa, Professor, RIHE, Hiroshima University

Naoyuki Ogata, Associate Professor, RIHE, Hiroshima University

Jun Oba, Associate Professor, RIHE, Hiroshima University

Mitsuharu Iwata, Associate Professor, RIHE, Hiroshima University

Kazuhiro Sugimoto, COE Research Fellow, RIHE, Hiroshima University

Tatsuo Watanabe, COE Research Fellow, RIHE, Hiroshima University

Koichi Kuzuki, COE Research Fellow, RIHE, Hiroshima University

COE International Seminar
on
Mergers and Cooperation
among Higher Education Institutions:
Australia, Japan and Europe

RJE

Reserch Institute for Higher Education
HIROSHIMA UNIVERSITY

March 2004