



Switzerland-OECD-China Programme
POLICY DIALOGUE ON "FINANCING HIGHER EDUCATION AND
SUSTAINING QUALITY OF EDUCATION FOR LIFE LONG LEARNING"



Technical Report on Discussions
During the High Level Policy Consultation Meeting



3rd - 4th April 2006, Geneva, Switzerland



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PREAMBLE

This summary is intended to record the key points of discussions that took place during the High Level Consultation Meeting in Geneva on the 3rd of April 2006, and follow-up discussion on the 4th of April 2006. The follow-up meeting was attended by the representatives of the OECD, Chinese delegation and the Swiss Adviser to the project.

Discussion during the follow-up meeting was built upon the exchanges which occurred during the Consultation Meeting and the further deliberation on possible research themes for this Sino-Swiss OECD project.

MEETING OBJECTIVE

The stated purpose of this Swiss-OECD-Chinese project is to “initiate a long term collaboration between Chinese and Swiss Higher Education Institutions (HEIs) and national agencies on policy issues of mutual interests in the domain of governance, with a special focus on financing and quality assurance in education”. To achieve this goal, it was envisioned that joint policy research projects between Chinese and Swiss partners could be an effective vehicle to facilitate the development of research networks between the two countries.

The objectives of this High Level Consultation Meeting under the auspices of the OECD were four folded; namely,

- a) to establish formal contacts between the officials representing China (NCEDR/MOE) and Switzerland (SER) who would be the governmental actors overseeing the implementation of this multi-bilateral collaboration project;
- b) to initiate a process of exchange regarding the basic information on the governance structures of the HEIs in both countries with a special focus on the issues related to the financial governance and quality governance of the HEIs;
- c) to inform the Swiss stakeholders and partner universities of the context and the background of this OECD project and its project activities;
- d) to agree on the broader themes of the joint research projects to be undertaken in 2006-2007 and on the specific inputs (background papers) needed for the Search Conference in late 2006.

Two sessions of the Meeting were held on the 3rd and 4th (half-day) of April 2006. Dr. Marino Ostini acted as the Chairperson for the meeting on the 3rd of April, while Dr. Lichia Saner-Yiu served as the facilitator for the meeting on the 4th of April.

SUMMARY OF KEY POINTS

1. SCOPE OF THE COLLABORATIVE RESEARCH

The themes of this Sino-Swiss joint research collaboration centred on a) governance of higher education, b) quality assurance (QA) and governance of quality, and c) financing HEIs and financial governance. These three concepts are overlapping with their distinctive issues and challenges within the context of life long learning and in the context of national competitiveness, globalisation and the GATS negotiation of the WTO¹.

¹ GATS stands for General Agreement on Trade in Services. Educational services are an important item of trade negotiations on exporting and importing of educational services within WTO. An article by Saner, R. and Fasel, S.

While the traditional line of enquiry concerning educational governance tends to focus on the educational and sociological aspects of the governance issue, the proposed enquiry through this OECD project will also incorporate questions which are of managerial and transformational nature. It is expected that comparative analyses, case studies and descriptive papers on the educational developments in both countries of the last decade will help clarify a number of significant issues, assess achievements and identify critical issues and challenges.

What these comparative analyses, case studies or descriptive papers should be requires further elaboration and exploration. Therefore a search conference will take place in late 2006 in order to pinpoint a research agenda which would be meaningful for both partner countries. This first high level consultation meeting shed some lights on what this research agenda could be and formed the foundation for more internal discussion within China and Switzerland.

Three or four background papers will be commissioned for the planned Search Conference in each country, focusing on the general governance of higher education, quality assurance and financing and financial governance. These background papers will lay down the parameters of future research and serve as discussion papers for the Search Conference.

The three subject matters of the project and their current practices in China and Switzerland were presented during this High Level Meeting. The presentation materials are accessible on the OECD website at http://www.oecd.org/document/57/0,2340,en_2649_34723_36099641_1_1_1_1,00.html

2. COMMON DEFINITIONS

It was noted during the Meeting that concepts used in the context of governance, quality assurance and educational finance had different meaning in each country's parlance. It was suggested by the participants that a glossary would be useful that provides common definition for some of the key concepts and words of the project. What follows is a first attempt of summarising the three concepts used in this research project.

Governance

Governance could be understood as all activities that can be seen as purposeful efforts to guide, steer, control or manage performance and quality in higher education institutions and the sector as a whole. Consequently, governance includes the regulatory structures, processes, principles and values by which institutions take decisions in pursuing their educational, social and economic objectives. Following from this, good governance ensures that policies and systems are in place in order to manage and administer institutions in an effective and efficient manner to achieve their, as well as the system's, objectives. The governance of HE sector intends to achieve a balance between institutional autonomy and public accountability, and a balance between academic freedom and public utility.

Quality

Quality refers to the distinctive characteristics or properties of a person, object, process or other entity. Such characteristics may enhance a subject's distinctiveness, or may denote some degree of achievement or excellence. When used in relation to management, the term may be defined as "reduction of variability" or "compliance with specifications". The former, for example, could be the common curriculum used for teaching physics; the later could be the requisite cognates and credits in granting degrees.

Quality can also be used as a measurement tool to judge subjects that are esteemed as credible and agreeable as "high quality" and subjects that are viewed as confusing, offensive, unhelpful, or incredible as "low quality." [ISO 9000](#) defines quality as "degree to which a set of inherent characteristic fulfils requirements".

As a concept, quality was used to describe both a terminal and an instrumental value. Seeing from the terminal value perspective, quality of HE implies the end results of learning or teaching and entails standards for qualification and mutual recognition. Therefore the concepts of accreditation, granting of degrees and mutual recognition of degrees and credits were connected to the word "quality". Quality seen as an instrumental value is understood as a quality management system which ensures the right process that needs to be followed so that the end results can be consistently achieved. Concepts such as quality assurance (QA), verification, traceability and third party certification are relevant here. Be it instrumental or terminal, both definitions complement each other and mutually reinforcing. The notion of performance and return on investment are central to the discussion and future research.

Educational Finance

Governments finance higher education not because they want students but because they want graduates with knowledge and skills to make life better for themselves, their communities and their nation. Therefore, the study of higher education finance is to analyse who benefits from higher education and who should pay for it. In higher education the critical issue is how responsibility for the costs of higher education is allocated between the government (and within its various levels) and the institution and the participants (students, their families, present or future employers, and their communities). Issues such as effectiveness, equity and efficiency are some of the key terms of educational finance.

Alternative means of financing HEIs in China can also result in the issues of equity and social justice, in addition to the more technical issues of investment and risk management. The underlying tension of seeking private or social financing is that it might expose the HEIs to opportunistic behaviour and financial risk. Similar concerns also rise in the Swiss context of public financed "free education".

For more detailed discussion of these three concepts, reference could be made to the following documents:

1. OECD Review of Financing and Quality Assurance Reforms in Higher Education in The People's Republic of China, OECD, 14-Oct-2003.
2. Reviews of National Policies for Education Tertiary Education in Switzerland, OECD, 2003.

3. EXPRESSED RESEARCH INTERESTS

Specific areas of possible research interests within the domains of governance, educational finance and quality assurance were identified.

Governance

- What are the roles and responsibilities of different actors such as government and institutions (HEIs, Buffer organisations, representatives of employers, and beneficiaries) in order to achieve good governance and public accountability?
- How should the government regulate the higher education sector?
- How can the universities adapt their governance and management structures to effectively respond to various stakeholder needs?
- In the context of life long learning, what governance mechanisms and tools should be deployed in order to achieve both the economic and social outcomes of HE investment?

- Managing institutional autonomy and public accountability: How do management systems of UASs and of the Universities in Switzerland differ or are the same?

Quality

Since there are similarities and differences in the quality assurance systems of China and Switzerland, a comparison of the external quality assurance systems of the different countries could be addressed. It would be better to carry out a clear and pure descriptive comparison at the early stage. A more analytical approach focusing on implementation should be adopted in later phases. Examinations of the internal quality assurance systems could be a topic as well. The following research topics was proposed:

- What could be a more efficient and effective approach to ensure quality in the HEIs and streamline and coordinate the multitude of on-going evaluation processes? Which actor(s) could undertake this task most effectively?
- What could be more meaningful criteria and methods in assessing the quality of post graduate programmes and how could they be put into place?
- How to internationalise the higher education sector through accreditation, mutual recognitions and student mobility?
- What could be the role of government or university in internal quality assurance, and the division of such responsibilities? What rules and mechanisms would be needed?
- What are the different models of quality assurance systems? What are the comparative strengths and shortcomings?

For China experiences in assessing the quality of VET at tertiary level remained limited. Chinese vocational or technical institutes have yet to achieve the organisational maturity to conduct quality assurance tasks by themselves. China might be able to learn from the experiences of UAS or other institutions, which has enhanced their academic standing through the external accreditation process.

Finance

Governments increasingly put more duties on universities to fulfil additional social, cultural and economic functions. Due to shared funding responsibility, however, universities began to attract funding from different sources, which bring them more responsibilities and obligations to respond to the needs of the donors. Evaluations and appraisals of universities are thus no longer limited to their academic performance; it might now include other criteria such as the fulfilment of specific tasks.

- How do these new funding approaches impact the autonomy, mission, and performance requirements of the HEIs?
- How would this change impact the HEI's management/administration?
- How to minimise financial risks through government regulations or alternative instruments?

HEIs and the Labour Market Connection (could be incorporated into either governance or quality domain)

- How can curricula be developed to respond to the needs of the “labour market” and still remain aligned to the stated mission of the HEI?
- How to assess the contributions of HEIs with different missions in society, regions or communities? The connection between education and access to labour market should be made. Similarly, the issue of potential contributions of HEIs to the regional development should also be studied. Several OECD countries might be interested in this project too.

In terms of quality assurance, the OECD and UNESCO guidelines should serve as reference.

- How to develop research capacity and activities in UASs since vocational or professional objectives are more dominant in their mission?

Additional Topics

An additional set of possible research questions were submitted to the Meeting for discussion. Some of the suggested topics which are pertinent but not discussed during the two-day meeting are:

Governance

- What is the process of internationalisation of higher education in China and Switzerland?
- What are the strategy and policy of research on higher education in China and Switzerland?
- What is the accreditation system (structure, purpose, procedures, standards, legal framework, embedding in higher education system, etc.) in China and Switzerland?

Quality

- What is the quality provision in cross border education (e.g.. e-learning programmes) in China and Switzerland?
- What are the experience based university reform cases on internal governance, financing and quality assurance?

Financing

- How do HEIs respond to the market needs in the context of globalised competition for higher education? What are they doing for multi-channel funding-raising? How do HEIs avoid the relevant financial risks?
- How do HEIs finance research and ensuring results? What are effective mechanisms and evaluation criteria for providing government research grants?

The complete listing of suggested research topics prior to the High Level Consultation Meetings is enclosed in Appendix 1.

4. TOPICS FOR THE BACKGROUND PAPERS OF THE SEARCH CONFERENCE

A total number of 4 background papers from each country need to be prepared. The suggested topics could be:

Topics	China	Switzerland
1. General Context (nation and institutional) and its defined social, economic and academic of Higher Education	1	1
2. Policies, structure, processes, principles and key actors in higher education Governance: Opportunities, challenges and achievements	1	1
3. Quality Assurance structure, policies, and practices in higher education: Opportunities, challenges and achievements	1	1
4. Policies, mechanisms and social implications in multi-paths of financing higher education: Opportunities, challenges and achievements	1	1

Appendix 1: Suggested Topics for Research by Participants which was submitted to the Meeting Beforehand

1. *Dr. Marino Ostini*, Scientific advisor Multilateral Cooperation in Education, State Secretariat for Education and Research (SER)
 - Historical evolution of higher education
 - Internationalisation of higher education
 - Strategy and policy of research on higher education

2. *Dr. Rolf Heusser*, OAO Centre of Accreditation and Quality Assurance of the Swiss Universities (OAO)
 - Mutual understanding of each countries accreditation system (accreditation system, purpose, procedures, standards, legal framework, embedding in higher education system, etc.)
 - Mutual recognition of qualifications based on mutual recognition of accreditation decisions (necessary steps towards mutual recognition agreements)
 - Quality provision in cross border education (e.g. . e-learning programmes)

3. *Dr. Lichia Saner-Yiu*, Project Adviser, CSEND
 - The role of higher education institutions in general and universities in specific in today's society and in 2020
 - What is the added value of HEIs?
 - What constitute scholarship?
 - What is the role of research in HEIs and in universities?
 - Case study of past university reforms (e.g., Basle University) - internal governance, financing and quality assurance
 - Case study of HEIs' integration with economic development of their respective region

4. *Chinese Delegation*
 - How do the "administration body" and the "decision-making body (university council, or what?...)" function in Swiss Universities?
 - What about the role played by professors in the management of universities [also concerning the relation between "administrative authority (like university Rectors)" and "academic influences" (by professors) in the decision-making process].
 - How do the Swiss HEIs respond to the market needs in the context of globalized competition for higher education? What are they doing for multi-channel funding-raising? and how to avoid the relevant financial risks?
 - What's the role of Swiss HEIs in training innovative talents for the society? China is now emphasizing "innovation" as a key for future social and economic development, and making efforts towards building an "innovation-oriented society", for which HEIs and research institutes will have a great role to play.
 - The relation between HEIs and government. How does the government govern the HEIs? Directly or indirectly?

- How does the government provide grants to HEIs, directly or indirectly (like the HEFCE in England)?
- Quality assurance in Switzerland. How does the govt. evaluate the quality of HEIs and the education provided by them? Is there a certain mechanism?