

The Irish tertiary education system has increased its student body by about 2% per annum since the mid-1960s and has reached an age participation rate of 57%. The system, however, is at a crossroads as it strives to meet the government's strategic objectives of "placing its higher education system in the top ranks of OECD in terms of both quality and levels of participation" and "creating a world class research, development and innovation capacity". These two objectives served to frame the terms of reference for the Education Committee's review of Ireland's higher education system (see Annex A).

The Examiners' Report (Part I of this volume) provides analysis of the main challenges and recommends a series of actions, structured around the following five central themes:

- Strategic steering of the tertiary education system.
- Governance and management of higher education institutions.
- Strategic management of research, R&D and innovation.
- Access and participation.
- Investment in the tertiary sector.

The Examiners' Report draws upon the Country Background Report prepared by the Irish authorities (Part II of this volume), 85 public submissions prepared by various stakeholder groups and organisations, and the review team's visits with different stakeholder groups during its two-week stay in Ireland.

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### *Strategic steering of the system*

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The Examiners' Report points out that Ireland lacks a unified strategy for its tertiary education system. To address this deficiency, it recommends bringing together the universities and the institutes of technology in a strategic framework, with clear differentiation of roles between the two, under a new Tertiary Education Authority.

Ireland's wish to become an innovation-based, technology-generating economy means that the tertiary education sector needs to act as a key driver of this process. However, public policy is diffused over several government departments and there is no mechanism to provide strategic guidance for the sector. There is a need for an effective co-ordinating mechanism to link national priorities across government departments for issues related to qualified personnel and funding

for institutional infrastructures, research, R&D and innovation. The examiners propose a new National Council for Tertiary Education, Research and Innovation, which would bring together all relevant government departments to determine a rolling national strategic agenda for tertiary education and strengthen its relationship with innovation, skills, and the economy.

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### *Governance and management of higher education institutions*

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In parallel with changes in the tertiary education system, significant modernisation and adaptation are needed in governance and management of Ireland's higher education institutions (HEI). Within the broader national goals, institutions need to achieve greater strategic focus. This will require action in areas such as governance practices and leadership. The government needs to offer HEIs greater autonomy to manage themselves within the framework of national objectives. Consistent with these objectives, management of institutions must be modernised. The Examiners' Report identifies deficiencies in prevailing arrangements in these areas and offers a range of recommendations.

To link institutions more closely to a national strategy and to improve accountability, the examiners recommend the use of annually renewable contracts for institutions through the proposed Tertiary Education Authority (TEA). The examiners also recommend changes to the size, function and representation of universities' governing boards to make them more manageable and accountable to the public, and more focused on strategic issues. For the institutes of technology, they recommend separating the role of the governing body, which should focus on strategic issues, from the managerial responsibility of the institute's director or president. They offer a number of proposals to lighten the administrative burden on institutions, increase autonomy and provide greater room for modernised management. These include a reasonably secure environment for financial planning (including multi-year funding); arrangements for generating and retaining surpluses; and changes in "core" grant arrangements to provide for long-term maintenance of facilities and buildings. The examiners also recommend linking resource allocation within institutions more closely to their strategic plans through more transparent mechanisms that offer performance incentives.

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### *Strategic management for research, R&D and innovation*

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The period from 1996 to 2002 saw the most dramatic increase in research funding in Ireland's history. The operation of the Programme for Research in

Third-Level Institutions (PRTL), with its allocation of significant research funding from 1998 on, is widely believed to have changed the research culture in Ireland. But if the Lisbon target of 3% of GDP is to be met, both industry, which is lagging significantly, and government will need to invest much more. In addition, a number of structural and institutional changes are needed to make most effective use of these resources. The Examiners' Report discusses the main institutional adaptations required to make investment more effective and recommends several policy actions.

The Irish higher education system is weak in graduate studies and research and also in links between R&D and innovation. Industrial investment in R&D is low; indigenous industry accounts for only one-third. The primary objective of the examiners' recommendations in this area is to integrate research, R&D and innovation within the broader strategic framework of tertiary education and economic and regional policy. Key features of the recommendations include maintaining the distinctive roles of the institutes of technology and the universities in research; rationalising the many agencies responsible for research funding by establishing a major national research funding body analogous to the US National Science Foundation; creating a Committee for Research Policy and a Chief Science Policy Adviser to better co-ordinate funding and direction of research; and investing significantly more in postgraduate support with a view to more than doubling the number of doctoral candidates by 2010. At only 5%, the proportion of international to home/EU students is low. As one step towards strengthening its doctoral programmes, Ireland should seek to double its international student population in the next five years. Subsequent to the initial drafting of the Examiners' Report, a Chief Science Adviser was appointed. But the examiners note that he does not appear to have the co-ordinating powers proposed in the Examiners' Report, nor does the Committee for Research Policy have the strategic role recommended.

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### *Access and participation*

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A great strength of Ireland's tertiary education system is how it has expanded student numbers while preserving quality. However, this expansion has taken place almost entirely among 18-to-21-year-olds and the beneficiaries have been drawn disproportionately from managerial and professional classes. Unless action is taken, current forecasts of a continued rise in the age participation rate will further entrench participation among the middle and upper classes. Both social equity and economic arguments point to the need for renewed efforts to broaden participation in tertiary education. The Examiners' Report makes several recommendations to improve access for disadvantaged groups and adults.

Over the longer term, efforts to improve participation by students from disadvantaged backgrounds will require investment in pre-school and primary education. Strengthening career guidance and counselling in schools can also help. Steps should be taken to implement more fully the recommendations of the Commission on the Points System. Through adjustments in the funding formula for institutions, financial incentives can be provided to recognise additional costs of recruiting and retaining students from disadvantaged backgrounds.

To increase access for adults, efforts are needed to increase the number of part-time students. One possible approach is to eliminate the distinction between part-time and full-time students in determining if fees must be paid or maintenance support will be granted. Arrangements could be made to include part-time students, on a pro rata basis to full-time, in the calculation of recurrent grants. Steps are also needed to generate greater demand for lifelong learning.

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### *Investment in the tertiary sector*

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Considerable further investment will be necessary to achieve the government's ambitions for the tertiary education sector, especially its role in sustaining a highly innovative economy for Ireland. Failure to invest further in the tertiary education system will put at risk its contribution to strengthening the knowledge economy and fully realising the climate of innovation which Ireland is keen to create. The system faces investment demands for a number of reasons: continued expansion in participation in tertiary education (despite downward demographic trends); research infrastructure; new buildings and maintenance backlogs; rationalisation and modernisation; and to meet objectives of widened participation, improved retention and greater support for lifelong learning.

However, Ireland's education budget must compete with many other demands on the public purse. Within the education envelope, there is little scope for increased funding of tertiary education, as other education spending in Ireland is below the OECD average. Student contributions are one possible source of additional resources for tertiary education. Data point to large private gains for beneficiaries of tertiary education and a part of the enhanced income potential could form the basis of students' contributions. The examiners do not think that this conflicts with the need to widen participation, as the 1995 abolition of fees has had no noticeable impact on trends in the socio-economic make-up of the student cohort. A suitably constructed policy can increase rather than lessen social equity. For such a policy to be effective, however, the government needs to introduce means-testing mechanisms, along the lines of the de Buitelir report on student maintenance. It must also ensure that contributions from

students become a net additional resource for the sector and are not used to offset reductions from the public contribution. Dispensing with the “free fees” policy clearly represents a sensitive and controversial political decision. The examiners believe, however, that if the “free fees” policy remains in place, there must be serious doubts as to whether it is practicable for state funding to meet the demand for additional investment that Ireland’s tertiary education system requires.