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Higher Education Management and Policy



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ON INSTITUTIONAL MANAGEMENT IN HIGHER EDUCATION

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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- to promote, through research, training and information exchange, greater professionalism in the management of institutions of higher education; and
- to facilitate a wider dissemination of practical management methods and approaches.

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Incentives and Accountability: Instruments of Change in Higher Education

by
Sir John Daniel
UNESCO

The author delivered this closing address at the IMHE General Conference on "Incentives and Accountability: Instruments of Change in Higher Education", which was held at OECD headquarters in Paris on 18 September 2002.

Introduction

Thank you for inviting me to make some concluding remarks at this important conference. My brief is to reflect on the themes of the conference and to bring forth insights of how these ideas play out in different settings. In his instructions to me Richard Yelland, Head of Programme, added that after two days of concentrated discussions on the challenges facing the managers and leaders of higher education institutions, participants would be looking forward to a provocative address on incentives and accountability in higher education.

Personally, I would have thought that after two-day diet of incentives and accountability you would be screaming to be let out, but I'll assume that the Head of Programme is right. Whether my remarks will be provocative I leave you to judge. Provocation, like beauty, is in the eye of the beholder.

I talk to you as a reflective practitioner of higher education who has had the privilege of working in an unusual number of different settings. I do not pretend to be a scholar of higher education, although I have written extensively about it. However, I strongly support such scholarship and research. It is a scandal that an economic sector as large and important as higher education devotes so little energy to studying itself. I tried to encourage such work when I was president of the Canadian Society of the Study of Higher Education and later chair of the Canadian Higher Education Research Network, two assignments that I greatly enjoyed.

But today I speak as a reflective practitioner of higher education in diverse settings. Let me start with a word about that diversity.

I began my academic life in two ancient universities, Oxford and Paris, but have spent much of my career, which has taken me to nine universities in six jurisdictions, in modern universities that opened their doors after 1970.

I have managed both small and large universities. As president of Laurentian University, Ontario I had overall academic responsibility for the *Collège universitaire de Hearst*, which was then listed in the Guinness Book of Records as the world's smallest university, with 30 students. I moved from there to the UK Open University, which has nearly 200 000 students.

Both extremes of the continuum from urban to rural are familiar to me. As vice-rector, academic of Concordia University in downtown Montreal I worked in one of the world's largest academic buildings, the Hall Building, and

watched many thousands of part-time students stream through its doors at 6 p.m. each day. At Laurentian University in Northern Ontario my parish covered an area the size of France and may have contained more beavers than people.

I have enjoyed managerial responsibilities for organising both classroom teaching on campus and distance education all over the world – and for serving both full-time and part-time students.

I have divided my time evenly between francophone and anglophone institutions and, finally, have had experience of both bicameral and unicameral governance systems.

By now you will have concluded that I cannot hold a job. Clark Kerr once said that he left one university as he joined it – fired with enthusiasm. But I can't use that great line. It was always the attraction of the next challenge that moved me on.

In what follows I shall draw on this experience, comment on the four themes of your conference and, in Richard Yelland's biblical language, bring forth insights. You can decide whether they are insights or banalities. I shall include some remarks about higher education from a UNESCO perspective. Even though this is the OECD it is good that you should be reminded of the stark issues facing higher education in the developing world.

National policy instruments and institutional behaviour

The influence of policies in areas outside HE

I shall take your themes in order, starting with national policy instruments and their effect on institutional behaviour. You have focused naturally on policy instruments relating to higher education, but my first observation is that government policy in other areas can also affect institutions of higher education powerfully, for good or ill.

I remember my arrival in Sudbury, Ontario, as President of Laurentian University. A Progressive Conservative government had been in power in Ontario for about 40 years. I had arrived from Quebec and was unfamiliar with the Ontario establishment. Indeed, I suspect I may be the only person ever appointed as president of an Ontario university who had never set foot on the campus of the University of Toronto before taking office.

Soon after I arrived, however, the party of government changed. It was not the higher education policies of the new Liberal government that gave me a wonderful springboard for my work at Laurentian. It was their policies in other areas. One was a much stronger focus on developing the north of the province, and Laurentian was a northern university. Other policies were to extend services and institutions for the First Nations peoples and for Ontario's

francophone population. Laurentian's region has large populations of both. Finally the government was keen to decentralise services and agencies out of Toronto.

All these policies were enormously helpful and put Laurentian on a roll for my tenure there. They also created tensions within the university system as a whole, because they shook up the established order. But they made Laurentian feel good about itself. So insight number one, which is obvious when I state it, is that government policies that reward an institution for focusing on its distinctive mission are helpful.

HE Policy

Let me turn now to higher education policies and specifically to the regimes for academic quality assurance that you have discussed over the last two days. The United Kingdom overdosed on quality assessment in higher education during the nineties. But the work of the Higher Education Quality Council and the Quality Assurance Agency was extremely helpful to me as vice-chancellor of the UK Open University over that decade.

Governments claim that they establish these quality assurance arrangements in order to give students reliable information. That is a crock. QA regimes are really a way for government officials to express the "hate" component of the love-hate relationship that exists between governments and universities. However, governments can do good things even when their motivation is ignoble.

The quality assessment movement was good because it shook up the universities and provoked soul-searching about quality in higher education. Unfortunately the fad lasted too long. Sensible governments should change their policies on higher education regularly, both on funding and on regulatory mechanisms. Otherwise universities are full of intelligent people who quickly understand any new system and then play it to their advantage. The quality assessment system in the United Kingdom should have quit when it was ahead for two reasons.

First, the introduction of such a system is very beneficial in its early days and really does make a difference. But by the second or third audit or assessment there are diminishing returns because the big improvements in quality have already been made. Second, in a country like the United Kingdom the existing elite was never going to grant a long life to something so disruptive to the hierarchy of institutional reputations as a quality assessment system for teaching.

Fortunately, by the time the UK elite emasculated the system, the good was already done. It had made academics take teaching more seriously than before, which was good. And the assessments showed the superior cost-

effectiveness of distance education, which was even better. The reputation of the Open University, already high, received a huge boost from the quality assessment system. By the year 2000 the Open University ranked in the top 10% of UK universities for the quality of its teaching. Thirty years earlier critics had said the whole idea of an Open University was nonsense.

Combining quality assessments with quantity measures revealed that in a number of subjects, all the way from Geology to Music, the majority of students in all the United Kingdom's excellent-rated degree programmes in that discipline are at the Open University. That is an important finding for policy making about the expansion of higher education in the developing world. It means that the insidious link between quality and exclusivity, which has tarnished higher education throughout its history, can be broken.

Motivating individuals – university career paths and reward systems

Let me now turn to your second theme – motivating individuals. I shall comment from the perspectives of the developing world and the industrialised world respectively.

UNESCO, as the only UN body with a mandate for the development of higher education, has set out standards on the main issues at the heart of the employment relationship in this sector. These are civil rights, academic freedom, publication rights, security of employment – including tenure or its equivalent – salaries, workload and benefits.

UNESCO has a special responsibility to universities in the developing world. Here the issues of motivation are sometimes very simple indeed. The most basic incentive for a university teacher is a decent life. This means being paid a just wage, having it paid on time, and not having to have two or three jobs at once just to make ends meet.

The issues of civil rights and academic freedom may seem more abstract, but they are just as important if countries wish to harness the brains and energies found in their universities to the development of the country. That is why UNESCO is undertaking a study of the world situation on academic freedom, institutional autonomy, and tenure. We are doing this with various partners, notably the International Labour Office. If a developing country has only one main university, whose work is central to national capacity building in a range of key disciplines, the absence of these basic personnel rights will smother the academic energies of the staff and encourage them to leave the country.

Much still needs to be done to get the message across to developing country governments that in order to be a well of creativity and expertise for

the nation, universities must also be a source of criticism and exposure for the government.

I make three observations about the motivation of university staff in industrialised countries – where employment rights are usually not an issue.

First, most academics choose this profession because they prefer analysis to action and discussion to decisions. This puts a special obligation on the minority of academics who do have management talent. They must step forward and take on the leadership functions. Otherwise, universities will have to be run by managers without academic motivation, which is unsatisfactory.

However, since academics with management talent are usually called on to exercise it in mid career, training is vital and I commend programmes like this IMHE programme that encourage and support such training.

May I also say how pleased I am that the OECD has created a separate directorate for Education? Coming at a time when the World Bank is also increasing the intensity of its work in education, this shows that countries are increasingly convinced that education is a necessary condition for development of all kinds. We at UNESCO look forward to working with Barry McGaw as head of this new OECD Directorate

Second, the evidence from the United Kingdom, among other countries, shows that academics are prepared to put up with poor pay in order to enjoy the intellectual freedom of university life. What they will not tolerate is the combination of a relative decline in wages with the lessening of their intellectual freedom through increasing administrative regimentation.

My third point, however, is that asking academics to use new technologies and approaches to teaching need not be an assault on their intellectual freedom. Indeed, the experience of the UK Open University seems to show that, in an era of mass education, the intellectual climate in a large distance teaching university can be more rewarding than that of a conventional campus.

A tenacious tradition in conventional university teaching is that the individual instructor is responsible for the four main components of teaching activity. He or she must plan the lectures, organise the back-up resources such as slides and handouts, deliver the lectures, and assess the students. All four components become more onerous as class sizes increase – whereas the possibility of genuine class discussion decreases. Hence teaching becomes less attractive and a reduction in teaching load is the advantage that most academics in conventional universities request when their institution asks how it can reward them without paying them more.

Distance teaching universities achieve both economies of scale – and what I call quality of scale – by division of labour and specialisation. Different people are responsible for the various components of the teaching and learning process. Because they can specialise in these functions they perform them better.

The other key, both to the quality of teaching and to the intellectual satisfaction of the academics, is the course team. Walter Perry, the founding vice-chancellor of the UK Open University, always said this was the Open University's most radical and important innovation.

Not all academics are comfortable with the cut and thrust of debate that occurs when developing courses in teams. Those discussions sometimes reveal rather starkly that academic calibre is only loosely correlated with formal rank and seniority. However, most academics find that the intellectual excitement of a good course team is the stimulation for which they entered university life. As the reputation of the Open University rose, Oxbridge and other prestigious UK universities tried to poach its star professors. Some of my Open University colleagues turned down these offers because they thought that the environment at the other university would not be as intellectually exciting as at the Open University.

Governing today's universities – institutional identities

Let me move to your third theme, which is about governance and institutional identity. Your first question was whether it is important to have a strong and distinct identity for each university. My experience says "yes it is". Having a clear institutional identity makes the university president's job more satisfying, but it's more than that. A clear mission motivates faculty and staff. Those who didn't sympathise with the mission move on, but that is no bad thing.

I noted earlier that when I was at Laurentian University in Ontario, government policy outside the higher education area helped to strengthen the university in its natural areas of mission. This is a happy outcome if it can be achieved. University heads tend to fight government attempts to reinforce the specificity of their institution, fearing a loss of universality. Universality is fine but the lowest common denominator can be pretty low. It is good for every university to find something to be very good at, whether it be a world-class department, an unusual research group or a high-profile teaching initiative. Even the staff not directly involved will be proud of the attention that this activity draws to the university.

University leaders should be humble enough to realise that others may be better placed then they are to identify important choices for the institution. I have always wondered why, during the boom period of university creation,

some new institutions quickly pulled away from the pack. I mean institutions like Waterloo in Canada and Warwick in the United Kingdom. It is not enough to choose a name beginning with "W".

Waterloo, for example, made three unusual choices early on. It created a Faculty of Mathematics, which was an odd thing to do, but it then became a springboard for tremendous developments in computer science and launched Waterloo to eminence in that field. Second, it started a co-operative, or sandwich programme whereby students spent every third term in the workplace. This is now commonplace but was radical at the time. Third, it created a strong distance education programme alongside its campus work.

These three decisions were counter-cultural when they were made. Furthermore, I understand that these initiatives owed more to the lay board members involved in founding Waterloo than to the early staff.

Regarding the management of institutions I have two brief and related comments. The first is that you do not achieve much by introducing a uni-cameral governance system instead of the conventional bi-cameral structure of Senate and Council. We had a uni-cameral structure at Athabasca University and I also observed it at the University of Toronto. Both universities quickly set up sub-structures that reproduced the bi-cameral system.

My related observation is that investing effort to make academic governance structures with wide membership work is worthwhile. At the Open University my senate, the supreme academic decision-making body, had over 1 000 members. Of course, it had not been planned that way. The founders of the University, who wrote into the charter that "all members of the academic staff shall be members of the Senate" never imagined that the OU academic staff would exceed forty. However, even though serendipitous, the result was an extremely valuable body, which included numerous students and part-time faculty as well as the full-time staff. Its debates certainly helped to get wide ownership of the principles that gave the Open University its unique institutional identity.

Incentives and collaboration in the international education market

I turn, finally, to your fourth theme, namely incentives and collaboration in the international education market. This was a very exciting aspect of my time at the Open University.

Someone said that Britain acquired its empire in a fit of absent mind. The same could be said of the significant international operations of the Open University, which number some 30 000 students outside the United Kingdom. The university enrolled its first international student in 1970 when a registry clerk did not recognise that their address was in Ireland. But, in any case, the students of the Open University, being working adults, turned out to be an

internationally mobile lot, so the University tried to serve them when they moved jobs. Significant concentrations of OU students grew up in cities like Brussels.

Next, when the Berlin Wall came down, first the Hungarians and then the Russians followed by other central European countries decided that open-university methods provided an answer to their huge retraining needs. Extensive collaborative programmes were developed and continue to thrive today.

Interestingly, the international venture in which the Open University was most pro-active did not achieve success – or did not achieve success quickly enough. I refer to the creation of the United States Open University, which opened in 1999 but was closed earlier this year because enrolment growth was slower than anticipated. The investment required from the UK Open University to take the US Open University to break-even was greater than the UKOU was able to make as a responsible public institution.

This is an interesting case. I think that the US Open University would have succeeded in the private sector. The model was good and students were happy but we could only afford a pitiful marketing budget. You have observed that the great success of the University of Phoenix is the result of its willingness to make big investments, as well as its clarity of mission and its attention to quality. Many other e-learning ventures fell by the wayside because they had shallower pockets and less gutsy management.

What has worked for the UK Open University, which accounts for most of the 30 000 students outside the UK, is partnerships with local institutions whose only common factor is to be dynamic and student-centred. The basic model is that the Open University provides the course material and arranges for student assessment. The local institution provides administrative and tutorial services. Obviously, where courses are taught in local languages, as they are to the 10 000 students in Russia and Central Europe, this means a fairly complex and intense inter-institutional relationship.

There is really only one good test of the effectiveness of an innovation in higher education, which is to go back five years later and see what is happening. If the innovation is still going it is a success!

Very few innovations in HE pass that test, but these Open University partnerships have been going well for a decade and are still expanding. The reasons are several. First, the teaching-learning model is robust and students are very satisfied. Second, the model avoids cultural imperialism and is intrinsically adaptive as conditions change in the receiving country. Third, the partner institutions that have built themselves up on the back of these programmes have a strong interest in their success and survival.

An important and genuine motive on the UK Open University side was to make itself more international – or less UK-centric – in purely academic terms. This has certainly happened. Quite apart from cleaning up the acronyms and references to cricket in the course materials, teaching internationally on this scale has made OU academics much more aware of their own intellectual assumptions and of the diversity of academic discourse around the world.

Conclusion

There it is. Whether that was a provocative address on incentives and accountability in higher education you must judge. Either way, it has been a pleasure to wrap up this conference. I value the educational collaboration across the Seine between UNESCO and the OECD and it was an honour to have been invited to address you. Have a good trip home.

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Institutional Autonomy Versus Government Control (The New University Act in Austria)

by
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Following prolonged discussion, the Austrian government has passed a new University Act which will provide universities with a semi-autonomous status. The reform is the most incisive change of the university system for the past 150 years and has been preceded by an equally momentous change in the status of the teaching faculty and staff, all future appointments no longer providing civil servant status any more. Major points in discussions between the Rectors Conference, the organizations representing the professoriate and staff, and the Ministry have been the balance of power between the institutions, representatives from outside, and the Ministry, as well as the amount of control to be exercised by the Ministry. In the view of the institutions, the legislation is heavily weighted towards the latter leaving too little room for initiatives from the faculties and participation in the central steering groups.

A Coalition Government between the conservative People's Party and the rightist Freedom Party was formed in 1999. Included in the program of work was a reform of universities based on the following major elements: 1) An autonomous status for universities while preserving state-ownership; 2) Triennial global budgets with no strings attached and an autonomous administration; 3) A modern career structure; 4) Increased efficiency to shorten the time students spend at university; 5) Formation of centres of excellence at universities; 6) An increase in the number of Polytechnics (*Fachhochschulen*, FH) so that by 2005 a third of all freshmen would attend FHs; 7) An increase in research funding up to 2.5% of the GNP by 2005.

The federal Minister responsible for tertiary education, Mrs. Elisabeth Gehrer (Conservative Party), put down the guidelines for the reform in August 2001:

- Universities should have the legal status of autonomous institutions, *i.e.* of "legal persons of public law", *i.e.* have the right to conclude legal transactions and agreements.
- Participation by academic staff in the administration of universities was to be confined to the level of the Senate. The top management would be located in a new University Board (*Universitätsrat*) functioning as an instrument of control, and the Rector as manager of the new university. The new Senate was to offer some participation in management to university personnel and students, though obviously more or less in an advisory capacity. Its major task was to be the formulation of curricula.
- The relationship between each university and the state (Ministry) was to be based on obligatory contractual "agreements on objectives" (*Leistungsvereinbarungen*) between the two partners. These agreements – to be renewed every three years – were to include research and teaching, strategic objectives, the "profile" of the institution, evaluation and general societal objectives (*e.g.* raising the number of women in higher education).

The new University Act was to come into force in October 2002. The transition period should end a year later.

Between September 2001 and spring 2002, a number of preliminary drafts were published and discussed until Parliament passed the University Act finally in July 2002. The first draft of the UG (*Universitätsgesetz*, *i.e.* University Act) was intended to introduce a solid top-down steering model in which the

University Board consisting of external members only, nominated in part by the Ministry and in part by Senate, was in control of the short and long term strategic planning and appointed the Rector. All important decisions required approval by the Board. The Senate was reduced to an advisory body with no decision-making functions apart from formulating study courses (curricula). But even these required approval by the Board before coming into force. There were to be no further administrative bodies or structures below the level of Senate apart from institutes (departments). The universities had the right to decide whether or not to maintain faculties or other larger units (*Fachbereich*, Department in the Swiss sense). In any case, such structures would not play any role in the decision-making processes.

The non-professorial intermediary academic staff maintained their rights including civil servant status for those who already possessed it, but were assigned a place in the new university equal to the new type of assistants (*i.e. akademische Mitarbeiter*) which would exclude them from assuming administrative functions. The existing institutes were to be expanded eliminating the present one- or two-professor institutes. Top-down steering meant that the Board formulated the contract for the Rector listing the aims and objectives to be realized during his term of office. The Rector would draw up so-called *Zielvereinbarungen* or agreements on objectives for each chairman or department head to be realized during the next three year period, based on the contractual agreement with the Ministry for that period. This would result in a three-tiered structure:

- Board and Rector would be responsible for the terms of the contract negotiated with the Ministry.
- Rector and Chairmen/Heads would negotiate agreements on objectives for the institutes.
- The Chairmen/Heads would then organize the realization of these objectives on the level of their institutes.

All important matters such as budget, salaries, personnel rested with the Rectorate (Rector and up to four Vice-Rectors) and the Board. Only with respect to professorial appointments and *habilitations* did Senate retain the old privilege of setting up committees deciding on a list of the three best qualified candidates in the first case. But it was up to the Rector to select the successful candidate for a professorial post and grant the much desired *venia legendi* in cases of *habilitations*. Senate and all committees below the level of Senate had to have an absolute majority of professorial members (*i.e.* 50% plus one vote). Senate and Committees dealing with study matters had to have a 25% student representation.

The Rectors Conference and Senate Chairmen who had presented a wide-ranging study of aspects of the reform of universities prior to the ministerial

draft proposal were cautiously optimistic, yet wanted to have the position of Rector and Senate strengthened at the expense of the Board. The academic *Mittelbau* (intermediary academic staff such as assistants, highschool teachers in university service [L-1 *Lehrer im Hochschuldienst*], lecturers and so-called *ao. Professoren*) condemned the Ministry's proposals as did the student organisation [ÖH, *Österreichische Hochschülerschaft*]. The Association of Austrian University Professors [UPV] supported the reform, but asked for greater participation by professors in the decision-making processes including a two third majority of votes on Senate and committees as in German universities, *e.g.* Bavaria and Baden-Württemberg.

Let me stop here for a moment to comment on a unique feature of Austrian universities that developed in the wake of the 1968 student revolt and came to dominate university life for the past quarter century. It goes by the name of "democratization" of universities and was directed against the up till then dominating role of the *Ordinarien* (full professors holding a chair and ruling institutes often in rather authoritarian fashion). This trend received full support by the Socialist Party from which came the Ministers of University Affairs – though with two exceptions – between the middle 1970s and the end of the past century. In summary, the *Mittelbau* increased in number and influence (*e.g.* 11% increase in the 1980s compared to a 3% increase for professors during the same period!) and received far-reaching rights of participation in decision-making processes. Either half of all members of committees consisted of students and *Mittelbau* (this applied to Senate as well), or the two groups even held a two third majority as in committees that drew up curricula. Professors were down to either 50% in the former and a third of the votes in the latter. This system of *paritätische Mitbestimmung* (parity codetermination) has had a very negative effect particularly in faculties of arts and social science that are more easily prone to ideological influences. Assistants eventually could receive a tenured appointment at an early age and could serve until retirement without ever taking the final step qualifying them for a professorial post the *habilitation*. When the Austrian government was blamed for the small number of professors, the Ministry found a solution that would save money – assistants who completed their *habilitation* successfully (and formerly would receive the title of *Dozent* as they still do in Germany) would now become associate professors (*ausserordentliche Professoren* or *ao. Profs*) and were to be considered the equals of professors with respect to rights and duties, – though without ever having gone through appointment committees (*Berufungsverfahren*). They could be chairmen of institutes, vice-rectors, etc. The process of "democratization" and the ongoing struggle for ever more influence and power for the intermediary academic staff eventually produced a class of *Mittelbau* campus politicians with little interest in scholarly pursuits. The large numbers of *Mittelbau* members that would not

vacate their places also reduced the chances of talented students to get an assistant's position practically to nil in many disciplines. More important yet, there was no way to differentiate between those *ao. Profs* who in their scholarly work proved to be in fact equal to (full) professors and those who had cut out a niche for themselves as campus politicians.

The reform of universities undertaken by the present government included the declared aim to reduce the *paritätische Mitbestimmung* to a minimum, – *i.e.* confine it to the level of Senate drastically reducing the number of votes of the *Mittelbau* and instituting a new career scheme with limited term appointments and the need to reapply from outside the university for continuation. Having completed the *habilitation* successfully an assistant will now again acquire the title of *Dozent* and will have to apply from outside the university for a vacant professorial post. This will introduce much greater flexibility and competition ensuring that only the best will advance to professorial status. As stated above, civil servant status was abolished for **all** future appointments to the university including *Mittelbau* and professors.

In the discussions of the various drafts that followed, the original proposal was somewhat diluted. In an attempt to gain greater support the Ministry reduced the competence of the Board strengthening the Rectorate and Senate. *Ao. Profs* were to keep their rights, yet this was made to depend on the approval of a majority of professors. The Board will now have decision-making competence in only four major areas: election of the rector and vice rectors, formulation of the work contract with the rector. dismissal of rector and vice rectors for cause, nomination of persons for certain subordinate functions. Beyond this the Board has been charged with the authorization and approval of certain measures proposed by the Rectorate and/or Senate before they can come into force. It also comments on measures proposed by the Rectorate and Senate.

The Senate prepares a list of the three best qualified candidates for Rector, decides on the size of the Board and nominates 50% minus 1 of its members, authorizes and changes, if necessary, the Statutes of the university, authorizes the curricula, decides on appeals in study matters, elects the members of appointment and *habilitation* committees, nominates assessors including two from external ones for both; sets up further committees and other bodies as may be required, which all have to be composed on the pattern of the Senate. Apart from these matters, Senate can act only in an advisory capacity. The new Senate is to have an absolute majority of (full) professors as well as a 25% representation of students. The Board decides how the few remaining seats will be distributed between the intermediary academic staff and the non-academic staff.

The tasks of the Rectorate are divided between those assigned to Rector and vice rectors as a body and those assigned to the Rector *ad personam*. Most important in the first category are: drafting of the statutes; formulation of plans for the development of the university and its organisation; formulation of a draft of the contractual agreement on objectives to be negotiated by the Rector with the Ministry after approval by the Board; appointing the chairmen/heads of institutes and other structural units; the conclusion of agreements on objectives with chairmen/ heads of organisational units (institutes); the preparation of annual reports for the Ministry as well as special annual reports on objectives achieved; the organization of evaluations, etc. All sectors and units of the university are subordinated to the Rectorate. The Rector alone nominates the vice rectors; he negotiates the contractual agreement on objectives with the Ministry; he is in charge of all personnel and concludes work contracts with the vice rectors; he appoints professors and grants the *venia legendi*, etc.

The University Act, some salient points of which have been summarized above, is comprised of 144 paragraphs and runs into 66 pages of densely compressed text. A closer look at the details reveals problem areas of which a few should be mentioned here.

The need to negotiate a three-year global budget two years before it comes into force means that the university must calculate its financial needs three to five years ahead of the time when the funds will actually be allocated. In addition, the flexibility of the budget is reduced by a scheme of equal monthly allocations. It will be difficult to foresee the actual financial situation so far ahead in time. Moreover the funds are linked to the various projects in administration, teaching and research as listed in the agreement on objectives. Funds received by the university from third stream income sources remain outside the official budget and will not reduce it. They are considered additional income to be spent by the university as it deems fit. This also applies to student fees which stay with the university. The official budget can be reduced if the university does not succeed in formulating its "profile" and defining its centres of excellence in time. Should the terms of the agreement on objectives not be fulfilled, the Ministry is free to reduce the next three-year global budget. In the case of fulfilment of objectives beyond what is stated in the agreement, the budget could receive a boost. A chief criterion for determining the amount of money granted is demand by students and society (presumably business and industry). Other quantitative and qualitative indicators are to determine 20% of the budget. The latter will present a problem for studies for which there is little demand and who do not produce many graduates per year!

Bureaucracy will expand as numerous reports and statistics will have to be written every year. The introduction of legal regulations applying to business and industry concerning the rights and representation of employees

into university administration creates structures foreign to the academic world and adds to the bureaucracy. Representatives of the Council of Non-academic Employees and the Council of Academic Employees will have seats on the Board, – professors, on the other hand, are excluded from participation on the Board! Trade Unions are supposed to negotiate with the representatives of university management on a nation-wide scale concerning benefits and work conditions of all employees.

In addition, the Ministry has established an ongoing control system. Members nominated by the Ministry sit on the Board and approve the draft of the agreement on objectives. In the negotiations with the Rector the Ministry, as says the text of the University Act, defines "contents, extent and amount of the objectives and the time when they are to be realized". All data relevant to budget indicators are to be passed on electronically to the Ministry as they become available, if so requested. Annual reports by Board and Rectorate complete this picture of a rather tight system of controls.

The University Act also creates a new *Wissenschaftsrat* (Science Council) consisting of 12 persons from various fields, especially the academic world and arts, nominated by the Ministry and appointed by government for a period between three and six years. Their task is to advise Parliament, Ministry and universities on matters of tertiary education, to observe and analyze the Austrian system of universities and science and produce proposals for their further development.

In conclusion let me say that the University Act, including the new regulations concerning limited term appointments for junior staff, should, indeed, lead to increase flexibility, competition and increased entrepreneurial activities. Nevertheless there is still a tendency towards over-regulation and a continuation of firm state control. Critics say that university autonomy will be largely located excluded at the top level (Board and Rectorate) and will not really reach the academic staff that is by and large excluded from participation in the "strengthened steering core" as Burton Clark would say. His observation that the latter "must embrace central managerial groups and academic departments" has not received sufficient attention. Not withstanding this critical remark it must be stated that the new University Act has introduced a new epoch in the history of Austrian universities leading them into the 21st century.

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Incentives and Institutional Changes in Higher Education

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Educational systems worldwide still continue to rely heavily on public sources of funding. Nearly 80% of the expenditure on higher education comes from public sources in OECD countries; the share is even larger in developing countries. There is a concerted effort in many countries to reduce the reliance on state funding and move towards market-friendly reforms. This involves adjustment in the macro-policy framework to induce change at the institutional level. Institutional changes could be brought about either by relying on "mandates" or on "rewards". Mandates demand a particular form of institutional behaviour that is accompanied by the threat of punishment for a failure to comply. Rewards, on the other hand, provide incentive and motivation to change. Both rewards and incentives become effective when public policy provides a choice in behavioural changes at the institutional level. The motivation for a change of behaviour will depend on the level of performance that conditions a reward on the one hand and on the expectation for obtaining a reward, on completion of the task, on the other. In general, mandates are more easily complied with when institutions are struggling to survive, whereas incentives and rewards are preferable when institutions are striving to revive and grow. Incentives and reward systems are relied upon in many countries to induce changes in higher education. This paper will focus on the potential of effecting institutional changes through incentives.

Introduction

Reforms in higher education indicate a systematic shift in the locus of control from governments to institutions. Universities have become more autonomous and many of them have introduced entrepreneurial activities and have adopted corporate management practices. A reduced reliance on state funding and control is also associated with introducing changes in the way activities are organised at the institutional level. These changes depend on the macro-level policy decisions on the one hand and institutional level decisions on the other. Resistance to these changes are common across many universities. The uncertainty regarding the turn of events in the future is one of the strong reasons for resistance to changes at the institutional level. An analysis of some of the successful reforms indicate that incentives are more relied on than mandates to introduce changes at the institutional level. The professoriate wields considerable influence in all universities. Hence, incorporation of incentives to academic staff members has reduced resistance to reforms in many situations. With the help of some examples, this paper argues that incentives to academic staff are good instruments in implementing reform measures to bring about institutional changes. This may be one of the reasons for introducing staff incentives in many countries that initiated reform measures in the recent past.

This paper is organized as follows. The next section introduces a discussion on the influence of public policy on individual choices. The third section deals with the potential of incentives to effect individual behaviour and institutional changes. The fourth section highlights some trends in recent reforms in higher education. The fifth section provides examples where staff incentives were part of the reform packages and the final section draws some conclusions.

Public policy and individual choice

Education has a good potential to achieve economic and social expectations of society and individuals. The public authorities in any society usually define social expectations and objectives, whereas public policy and institutional provisions delineate the contours of individual and household choices. The belief is that social objectives can be more successfully achieved when decisions are taken at the aggregate level, rather than at the individual level. This belief shifts the focus of decision-making from individual and

household levels to macro levels and it rationalises the centralization of educational decision-making. Consequently, public authorities (government) assumed power and authority to design and deliver educational programmes in all countries. Even in market economies, major educational decisions are taken by the government.

Educational institutions translate public policy decisions into achievable targets. Institutions conform to national concerns either through mandatory regulations or through persuasions. Incentives play an important role in persuading institutions to choose programmes and in that sense in the institutional behaviour. An institution agrees to introduce a programme/course of study when it is perceived to have a high social demand. Therefore, institutional behaviour is a reflection of its expectations regarding individual choices for educational services. When able to choose, institutions opt for courses that are in demand.

Public policy and decisions are always guided by equity considerations. The concern for equality of opportunities in education has influenced a move towards uniformity in the provision of educational services. Consequently, public authorities in many countries replicated look-alike schools and universities. Very often, uniformity in provisions was justified in terms of standardization and quality assurance. Needless to add, "standardization requires centralization of authority" (Windham and Peng, 1997, p. 7). Therefore, equity concerns, uniform provisions, standardized procedures and centralized decisions are common features of a public education system. Individuals are expected to adapt their choices to the options made available by the public authorities. Individual options are limited and choices are constrained in a situation where educational provisions are uniform and they are conformed to standardized procedures.

Unlike other sectors, educational investments result from decisions taken in two domains: individual and institutional (Majumdar, 1983). The decisions in the public domain define the limits to the choices of individuals. But these decisions become effective only when individuals are willing to complement their decisions with those taken in the public domain. Therefore, public programmes are only successful when they are in a position to induce individuals to express their choices within the services offered/permitted by the decisions in the public domain. Incentives are one way of inducing individuals to express their choice and behave in conformity with decisions in the public domain.

Individuals vary in their preferences and their choices may not always be influenced by concerns of social equity. Individual choices reveal a tendency to differentiate whereas public policy attempts to integrate. Hence individual choices may be at variance with what is being provided by the public

authorities and individuals may like to express choices from provisions made outside the public domain. This is one of the reasons for growth of private provision of educational facilities in many societies. However, in most societies, the state continues to play a dominant role in the provision of educational services. Even in OECD countries (OECD, 1999), nearly 80% of the expenditure on higher education is accounted for by public sources. In South Asian, African and European countries, public higher education is a predominant feature (Altbach, 1999).

Public education programmes are designed to fit into individual aspirations with social objectives and expectations. Educational institutions, in a sense, are agencies mediating between individual aspirations on the one hand and social expectations from education on the other. They are successful when people enrol and graduate in adequate numbers – stipulated by national requirements or projections. Growth in enrolment ratios in higher education illustrates an expanding system of education, and the prevalence of unemployment of university graduates in most countries indicates that the institutions of higher education successfully perform their social role of producing an adequate number of graduates.

Competition for places in public institutions indicates complementary decisions of households to invest in areas chosen by public authorities. The households still may decide, however, to invest in public education institutions either because of a poor choice of opportunities, especially in countries where educational provisions are made solely by public authorities, or because of the high cost of private provisions. This trend is changing nonetheless and private institutions are growing in number and size in many countries. Furthermore, increasing demand for various courses in private universities (Varghese, 2002) that are not offered by the public universities indicate that individual choices are at variance with what is provided by public authorities.

This trend indicates an important phenomenon in educational decision-making. Even when policy-making is a legitimate area of public action, educational programmes become operational when lower-level units – institutions and individuals, take complementary decisions. The choice of a programme by lower-level units is guided by the expectations regarding benefits that may accrue to them. In other words, institutions and individuals reveal their preferences for a particular educational programme to another one when incentives in the form of expected benefits are considerable and sufficient, *i.e.* incentives induce institutions to behave in a particular way, and individuals to choose a particular course of action. Any success of public actions depends on the adequacy of incentives that they offer to individual units.

Incentives and institutional changes

An incentive is a reward that is offered to either an individual or an institution for a behavioural change in favour of the direction desired by the agency that offers incentives. A change in institutional/individual behaviour takes place under two sets of conditions: *a)* when the institution/individual is convinced that there is no alternative but to change; *b)* when the institution/individual realize that the change brings direct and adequate benefits in return. In the former situation the change in behaviour may or may not be agreed upon or desired by the institution/individual, whereas in the latter case the change is willingly accepted. In other words, institutions and individuals try to minimize, if not avoid uncertainty in their choice. Hence, they are willing to accept any change when they are certain about its positive outcomes.

The difficulty with an institutional change is that it affects various groups of individuals differentially. Some may benefit more and some may benefit less from the same change, while others may even be negatively affected. Those who perceive that they benefit more from the reform may be willing to accept changes, whereas those who see that they may be negatively affected, may feel threatened and against changes. The tension between these groups plays an important role in implementing reforms in an institution. Institutional change does not depend on the presence of an incentive system; it will depend more on the perception regarding the distribution of benefits accruing from incentives. In the context of a university, the change may take place only when members of the dominant, or powerful group are convinced that they will benefit and those who profit less, or who are adversely affected, are less influential groups. In a university the "professoriate" is the strongest group exerting influence on all academic matters. Therefore, if introducing change in a university is seriously considered, an incentive package (monetary or otherwise) to the professoriate should be part of the reform measures. One could also argue that institutional changes in a university may be more easily accepted when the incentive system is designed in such a way that it favours the professoriate more than other groups.

There are several instances where reforms, even though strongly resisted to by militant student bodies, were implemented when teachers accepted them. Teachers accept reforms when they perceive that the benefits compensate the difficulties and dislocations due to reforms/change. In other words, the success of institutional reforms will not only depend upon the incentive system as such, it also depends upon the way incentives are shared. The higher the expectations are of a better sharing of incentives, by the dominant groups in an institution, higher are the chances of these institutional changes being willingly accepted. This may be the reason why

successful reforms in higher education in the recent past were those with incentives to the academic staff.

However, this is not the case when institutional changes are mandatory. In such cases individuals change due to the fact that there is no alternative but to accept. When changes are introduced in a mandatory mode, its acceptance is difficult and its success compromised. When change is introduced through incentives, however, it involves participation and discussions from different groups and the reform measures are agreed to more willingly. How do public authorities behave in a situation of initiating reforms?

The government can have at least two options: *a)* it can totally control the system, forcing the institutions to comply with the policies and programmes suggested by the government; *b)* alternatively it can assume the role of regulation with limited funding. In the latter case public authorities could take a position of sharing the responsibility of provisions with public or private institutions. The former is that of a "control role" of state, and the latter that of a "stimulative and facilitative" role (Windham and Peng, 1997). In the present context of introducing institutional changes, most states would prefer to play the latter role rather than the former.

The control role of the state prevailed when state-funding support to education was predominant. With the decline in the funding capacity of the state, the control function of the state in education also declined. At present it is increasingly replaced by the facilitative and stimulative role. How does the state change the behaviour of institutions and individuals when it is shifting from a control to a facilitative role? Under situations when the state was totally controlling educational provisions, it was mandatory for all institutions to comply to what the state wanted. When the state changes its role, its mandates may not work, especially under situations of reduced funding support. These mandates are increasingly replaced by incentive systems in recent experiences.

Institutions of higher education are exposed to a different type of environment and a different set of operational principles as a result of these changes. The challenge for universities is to modify the way they organise activities and deliver goods. Since coercive methods and mandates are less effective, persuasive methods are more reliable to effect institutional changes. Public authorities and institutional managers devise systems of incentives to motivate individuals and institutions to alter their attitude and behaviour. Most of the reforms in higher education in the recent past are directly or indirectly linked to this change in the external environment.

Trends in reforms in higher education

Most of the recent reforms in university education concentrate on a single notion, namely, efficiency in operation. The concern for efficiency

emanates mainly from two factors: criticism of poor performance of public sector organizations and institutions in general; declining capacity of the state to extend continued funding support to public institutions. Reform measures to remedy the situation – to improve efficiency in operation – are to introduce change in management. In other words, most of the recent reforms in higher education are based on a perspective of "managerialism". It assumes that a university is a producer of graduates and research outputs. Efficiency in operation implies reduction in cost of production (Bleiklie *et al*. 2000).

The institutional response was to make universities entrepreneurial. Consequently, universities have become managerial and entrepreneurial in their approach and operations. Entrepreneurial response offers a formula for institutional development that places autonomy on a self-defined basis: diversifying the sources of income, reducing governmental dependency, developing new departments and new modes of training, rationalizing structural changes that provide a stronger response capability, creating central steering capacity and focusing on institutions (Clark, 1998).

The emerging scenario is that of the university as a corporate enterprise consisting of a leadership, and various functional staff groups servicing different users. The corporate style of functioning demands operational freedom for the managers to establish production targets, and to mobilise resources and support for implementation of reforms. But public higher education institutions are bound by government rules and regulations in their operation. Universities need to be freed from these controls in view of managerial efficiency. Therefore, an initial step in the reform measures involved is a transfer of decision-making powers and responsibilities from governments to institutions/universities. In the 1990s a large number of universities have become more autonomous in several areas of their operations in addition to the academic autonomy, which they enjoyed in the past.

Resulting from the autonomy, there has been a noted shift of control from governments to institutions in the areas of staffing, finances, curricula and admissions. Contracting various university activities to outside private agencies, the corporatization of public universities, the creation of private companies within public universities, shifting the status of the staff from civil service to university staff, introduction of systems of cost recovery from students, initiation of income generating activities are common features in reforms (Sanyal, 1995; NIER, 1998). The autonomy in functioning is also accompanied by new systems of performance evaluation and accountability measures. Performance indicators have become a common tool for university decision-making.

The change in the university management is reflected in various ways. Even with stagnant or declining state funding many universities have become

successful in accommodating larger numbers of students and programmes. Strategic planning and management have become a common phrase and practice in all universities that have introduced reform measures. The consultative process of preparing and implementing a strategic plan has become a common practice. Consequently, many universities have succeeded in mobilizing resources and reducing their reliance on public funds.

The introduction of strategic plans also implied evaluation of the work carried out by each individual staff member of the university. Indicators to quantify academic performance have become necessary to justify performance and for demanding additional resources. This has certain implications: first, authority and power over university affairs is separated from disciplinary competence; second, the university administrators have gained influence at the expense of disciplinary communities. Resistance to these changes at the institutional level was considerable in many situations, and yet incentives also helped change the situation. In many instances, academic community accepted procedures of performance evaluation and accountability.

Incentive induced changes are more common at the institutional level. With the autonomy that the universities enjoyed and efficacy they gained in mobilising resources, the universities were in a position to use carrots and sticks to change the behaviour of individuals and organisation as a whole. The leadership could develop incentive systems and closely control performance at all levels to guarantee that organisation function as reliably and efficiently as the available resources makes it possible. A look at the some of the successful reforms indicates that they had provision for incentives to academic staff. A closer look at the implementation of some of these reforms show that the incentives to academic staff helped reduce resistance and contributed to successful implementation of reforms. However, it is unrealistic to attribute the success of these reforms only to the incentive systems. But it can be realistically assumed that their presence contributed positively to the implementation of reforms.

Examples of incentive systems

The incentives have traditionally been important tools in academic institutions to promote quality in operations – student grading, competition for fellowships, research money, etc. Now it has become a conscious political and management tool to alter behaviour in a desired fashion. Incentives should be used to increase the efficiency in the production of graduates and research. Incentives become powerful when they are sufficient enough to motivate individuals and institutions to change.

Incentives to teachers or for good teaching were not very common. If present at all, they were mostly in the form of special awards given to outstanding teachers. Although teachers play a crucial role in deciding the quality of teaching/learning processes, incentives for them was not a common practice. In all reform efforts in the recent past, one notices some form of incentives to teachers; in most cases they are financial based on an assessment of their performance. When a merit pay system was introduced, it was met at times with stiff resistance in countries, such as the United Kingdom. However, a close examination of some of the reforms indicates that those who took into consideration staff incentives were successful in their implementation.

Let us consider experiences of some countries where incentives played a positive role in implementing reforms in higher education. These examples are taken from countries where reforms have been in operation for a long time (Norway, Uganda); where they are still in process (Malaysia) and where reforms are only in the initial stage (Georgia).

Norway

Norway introduced educational reforms in higher education in the late 1980s and early 1990s. The reforms aimed at achieving better quality of education and higher efficiency in the production of graduates. The implementation of the reforms meant "increase the educational production with as many candidates as possible, at the most advanced level possible with as good grades as possible within the required time frame, and increase research production with as many, preferably international, publications as possible per researcher per year" (Bleiklie *et al.*, 2000, p. 289).

The reform was subjected to a good deal of discussions. It had an element of incentives to the academic staff. At the Master's and Doctoral levels the individual professors who were advisers were beneficiaries of the incentive system. As per the measures, the professors were given financial incentives on the basis of the number of students that they would be advising or guiding at the postgraduate and doctoral levels. The financial incentives could be utilized by the individual staff members for academic activities such as cost of participation in a seminar. It seems that this incentive system had a good impact on the implementation of the reform. A survey of its impact (Bleiklie *et al.*, 2000) shows that it radically increased production of doctoral students during the period.

Uganda

The Makerere University was in deep financial trouble in the 1980s when the government could not provide adequate funding support. The

infrastructure and academic facilities deteriorated. Staff salaries remained very low and staff members were forced to seek other avenues of employment. The institution was on the verge of collapse. In the 1990s the university initiated reform measures that were strongly resisted by students and staff leading to the closure of the university.

When the university re-opened the following year, a "needy students" scheme was incorporated in the reforms, which brought down the resistance from students. Similarly, the reform measures included financial incentives and increase in the salaries to retain teachers in the university. The resistance to change was eventually overcome, and new programmes were introduced.

The university introduced three types of strategies, namely: alternative financing, demand-driven courses and new management structures (Court, 2000). Enrolling private students, levying fees from them and introducing demand-driven courses were part of the strategy to revive the university. The privatisation process started when the institute of adult and continuing education started a self-financing degree programme. This was followed by admission of private students in evening courses and later in regular courses. Over a period of 3 to 4 years the number of private students exceeded that of state-supported students. The university started new and market-friendly courses. To this day nearly 30% of the university's revenues come from non-government sources. These funds have been allocated according to prescribed ratios to library, staff salary supplementation and development and infrastructure development.

The most important impact of the increased institutional income has been on salary structures and incentive schemes. Before the reforms the faculty members received an average monthly salary equivalent to USD30. After the reforms, the professors earn more than USD1300 with the possibility of added supplementation on an hourly basis from evening classes. (Court, 2000).The incentives to academic staff helped reducing staff exodus and improving the morale of staff and the general intellectual climate in the university (Task Force, 2000). Further, implementation of institutional reforms in the university could successfully be completed with the participation and co-operation of its staff members.

Malaysia

The Malaysian government initiated a process for managing universities like corporate sectors. The corporatization of higher education (Lee, 1999) started in Malaysia with the University of Malaya in 1998. This was followed by the corporatization of four other universities in March of the same year. This process was introduced when the country was facing financial crisis (Varghese, 2001) and was forced to cut public expenditure on higher education.

As per the plan the corporatized universities would be empowered to borrow money, enter into business ventures, set up companies, acquire and hold investment shares. They are expected to bear the burden of a major share of the operating costs. In a corporate environment, university researchers are encouraged to view themselves as entrepreneurial professors whose research findings can generate profit for them and for the university. The universities do have freedom to plan and market their own programmes. One of the incentives associated with the move towards corporatization was to offer competitive market remuneration for academic staff. Majority of the academic staff agreed with the reforms and the universities are in the process of implementing the reform measures.

Over a period of time, the government could reduce its financial assistance to public institutions and the universities themselves could generate more than 50% of the revenue. In fact, support from public sources has declined by 46%. The students have to pay fees. To help the students, the National Higher Education Fund Corporation (NHEFC) was created (Hj. Ashari, 1998). In this case too, incentives to staff helped implement reforms and changed the behaviour of the universities.

Georgia

The transition economies are in the process of restructuring their universities and higher education system. "The main directions of higher education development in Georgia" has become the basis for new higher education policies. The change recognizes that "the market is important because it introduces competition to a hitherto closed sector, both public and private. And the State is important because it specifies rules that make the market work in Georgia's best interest without pretending to micromanage specific outcomes" (IIEPPM, 2002, p. 53). The new policies envisage that the State must design general rules and the market should bring together those who want to learn together. "The regulatory framework is likely to be most effective if it is based on as few as possible, clear and transparent rules" (IIEPPM, 2002, pp. 48). The restructuring process may antagonize many teachers who may lose their jobs or are forced to shift. But the expectation is that "rationalisations may quickly translate into salary increases for remaining staff to legitimise both the costs of reform and to illustrate benefits of the reform" (IIEPPM, 2002, p. 53). Here again the lesson to be learned is that salary incentive to the retained staff is the best way to overcome resistance and introduce reforms.

Concluding observations

Incentives are important instruments to transform the behaviour of institutions and individuals in education. A close examination of reforms in

higher education indicates that incentives played an important role in facilitating implementation of reforms. The resistance to change at the institutional level comes from people who are adversely affected by the reform measures. In a university the "professoriate" exerts considerable influence on academic matters and has influence among different segments and groups. It may be difficult to implement reforms in a university without the support of the academic staff members. In fact, many reform measures were initially confronted with strong resistance from teachers and students. Experience shows that some of these reforms later incorporated incentives to teachers and students and they ultimately succeeded in overcoming resistance.

The reform measures forced institutions to change their ways of functioning. They also forced the academic and administrative community to change their response and pattern of behaviour under the changed environment in the universities. The incentives to teachers, financial or otherwise, have helped bring about change in the behaviour of institutions and individuals. It is not, however, the intention to argue that the success of the reform measures could be attributed solely to these incentives. The incentives have contributed to overcome resistance to change in certain critical areas and have contributed to the success of reforms.

Many universities are now moving towards core and flexible components in the salaries of teachers. The core part of the salary is guaranteed whereas the flexible part will depend on the performance of the individual and revenues generated by him/her. This may lead to dispersion of salaries among staff and acceptance of the notion of performance evaluation. These are measures that would have been severely resisted in the past. The experience shows that the "potential of salaries as a lever for changing faculty behaviour is perhaps more significant than many observers realise" (Hearn, 2001). It seems that there is a good scope for exploiting the idea of incentives to bring about changes in individual behaviour and institutional changes. The challenge lies in devising incentive schemes that will be readily acceptable to some groups and the least resisted by others.

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Performance Indicators: Accountable to Whom?

by
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In this paper the author examines the implementation of key performance indicators in Canadian post-secondary education institutions. More specifically he charts their implementation from the perspective of students and the effect they have on the quality and delivery of education. Key performance indicators (KPI) in Canada are administered by the ten provincial governments. In each of the jurisdictions in which they have been introduced KPIs have tied various forms of institutional performance to core funding and capital funding allocation.

The paper offers a comparative analysis of how certain criteria are promoted by the establishment of KPIs. It examines the introduction of KPIs in three provinces: Ontario, Alberta, and British Columbia.

In each case the complex set of politics and institutional relations at stake in the establishment of KPIs are examined. A comparative examination of each case provides signposts for best practices as well as instructive lessons in where and how quickly the very definition of accountability becomes a highly politicised term of contention.

Finally, the paper makes proactive policy suggestions, from the standpoint of students, about the criteria that should be used in the establishment of KPIs. At all points the paper (re) inserts the perspective of students into the ongoing dialogue about accountability and the changing identity of higher education.

The management and governance of colleges and universities has been transformed in recent years by introduction of Key Performance Indicators (KPIs). KPIs take a variety of forms depending on the jurisdiction where they are deployed and, more importantly, the government authority in charge of administering them. This paper offers a practical assessment of how KPIs have worked in two Canadian provinces. In do so, however, the Canadian examples are used as a venue for rehearsing the larger theoretical and political issues bound up with KPIs and the management of higher learning institutions. In short, the examples will be local, the issues and dilemmas "global".

The goal, then, of this paper is to examine the effect of KPIs on the core mandate of public colleges and universities. The very definition of that core mandate is fraught with political, national, and historical investments. Writing from the perspective of the Canadian student movement I will limit myself to two elements of that mandate. The first is a vision of colleges and universities as repositories of knowledge produced and disseminated in the interest of the common good. The "common good" in this case refers to the economic, social and cultural prosperity of the community (or communities) the institution serves. Though so familiar as to be pedestrian, this goal is increasingly being called into question by the excessive reliance of university research on corporate partners.[1] The second, and perhaps more controversial, mandate of public colleges and universities I want to posit is the imperative to promote and facilitate social equality. By social equality I mean economic equality of opportunity that erases, so far as possible, the accidents of social position. These contentions are, without doubt, politically charged assertions. However, they are listed here in order to simply disclose the bias that informs the following assessment of KPIs. As the paper unfolds I also hope to make it very clear that wherever they have been introduced KPIs are accompanied by a set of political and economic assumptions that are rarely interrogated or explicitly stated. Indeed one of the points of this paper is to signal the difficulty of developing truly objective measures of institutional performance free from the taint of political "prejudice". Seen from this angle, (re) introducing politics in the argument about KPIs will not only seem less tainted but an indispensable starting point for policy debates about university governance and accountability.

The Canadian context will be of use in making a main argument because KPIs have only been implemented sporadically and largely on an experimental basis. Unlike the large scale of implementation of KPIs in New Zealand, the

United Kingdom, and several American states, KPIs are not fully established policy and the debate about their efficacy is far from settled. We now turn to the Canadian examples in some detail. Three issues recur in each example. First, where they have been introduced KPIs set benchmarks that are set by government bodies. In each case, however, the benchmarks were introduced without any new funding to meet responsibilities that were often "extra to load". The vexing paradox of KPIs is that what defines the introduction of KPIs in Canada is the manner in which they serve to ramp up the expectations and demands on public institutions in an environment in which public funding for colleges and universities had been drastically cut. In essence, the arrival of KPIs on the historical scene increases the demand for output from institutions that are suffering from a chronic shortage of funding input. Second, KPIs find their pedigree in a buffet of management theories of efficiency and economy of effort. However, the reality of their implementation has been far from efficient. In most cases, they represent a clumsy and politically interested attempt to import a private sector management mentality into public colleges and universities.[2] KPIs have inspired cumbersome, expensive, centralized bureaucracies that have not, at least in the Canadian example, shown the slightest ability to measure local nuances or improve the research or teaching mandates of the institutions they are charged with measuring.[3] In addition, KPIs have proven to be prohibitively expensive which conforms to the paradox enumerated above of increased expectations coupled with decreased funding. Third, and related, is that the management culture that informs KPIs is very often at odds with the culture of public colleges and universities. Not only are the management models often applied to KPIs anathema to the culture of colleges and universities they often run counter to public expectations. As demonstrated in the example of Ontario and Alberta, very little of what the government set out to measure was prioritized by the public or those working in colleges and universities. That leads to the question of what the constituency for KPIs is and in whose interest they are being peddled as a policy measure. Specific examples will help to answer that question.

Ontario

KPIs were established in Ontario in the midst of drastic funding cuts and an ideological paradigm shift in the vision of public services. The Progressive Conservative government was elected in 1995 campaigned by promising a "common sense revolution" if elected. Shortly after being elected this revolution began and when it finished public post-secondary education funding had been reduced by about 20% in concert with a 25% reduction in individual rates of income tax. These numbers are a matter of the public record, but the policy fallout from this shift is still settling. The introduction of KPIs in Ontario has been piecemeal but it has come hand in hand with the funding cuts. In essence, the funding cuts came with increased demands for accountability

and calls for universities and colleges to retool their governance culture. The unifying feature of both demands was that universities and colleges needed to become more responsive to the demands of the market. In addition to tailoring programs more closely with the labour market, universities and colleges were called upon to enter into more direct ventures with private enterprise. This latter development has had a substantial effect on the research funding and mandate of Ontario universities. Since 1996 all new public money set aside for research must be matched by private funding. The research funding and infrastructure grants at Ontario colleges and universities are now directly tied to an institution's fundraising performance. In addition, core money was siphoned away from block grants into a kind of bonus plan for those programs that exceeded employment targets (*i.e.* labour market outcomes).

From a students' perspective this move toward accountability and the semi-formalization of KPIs has precipitated several disturbing policy trends. First it has changed the management culture of colleges and universities. The first and most marked change that it has precipitated is a radical change in the composition of boards of governors (generally the highest decision making body at Canadian institutions). The drive to introduce public/private partnership has made it matter of survival for colleges and universities to insure that well-connected members of the business world occupy board seats.[4] The second effect has been an exaggerated influx of funding into programs like Computer Science, Information Technology, and web based learning. In the 1990s in Ontario almost all of the untethered funding for new student spaces was created for computer science programs. In some cases, institutions received enough funding to increase enrolment in such programs by 25% while other programs saw their enrolment rise modestly without any new funding (in many cases with funding cuts). The recent "dot com" bust has exposed the historical folly of a religious adherence to volatile labour market trends. Despite the drop in employment prospects in internet related disciplines, long term personnel and bricks and mortar investments have been made at the expense of other, more established programs. The point is not, however, to suggest that governments should not fund computer science or other elated programs. Rather the point is that spurious investments, inspired by bubble job markets, rarely make for long term policy decisions. However, in effect (if not intent), KPIs have led to a shift in public funding from core humanities and science programs to expensive niche programs. The result is that broad programs of study that encouraged problem solving and critical thinking are being sacrificed for a short sighted, narrow focus on applied skills. This is not to say that skills training should not be developed without sensitivity to labour market realities. However, KPIs tend to exaggerate the predictability of the job market and actually hinder flexible responses to labour market shifts. In a frenzy to meet KPI quota resources

are poured into "hot" markets but when that market goes cold universities and colleges are structurally unable to turn on a dime and respond to the new trend. In the end, the plodding, reflective tact that management gurus shun in public institutions actually has a much better record of responding to the labour market in a sustainable and rational manner.[5] A further paradox of KPIs short history is that neo-conservative governments actually stifle the ability of colleges and universities to be accountable to their communities by centralizing control and governance thereby undermining the authority and judgment of those closest to the operation. This point will become particularly clear when we examine KPIs in Alberta.

Alberta

The use of KPIs in Alberta is the most widespread in Canada. In Alberta KPIs have had a direct effect on the core budgets of public institutions. Implemented in the early 1990s, Alberta's plan is called "Measuring Up" and its effects yield several important lessons. Like its counterpart in Ontario, the government of the day in Alberta is Progressive Conservative (as it has been almost every year since World War II). Again, in line with Ontario, the provincial government fundamentally changed how government services were funded and administered. In 1991 Alberta began a program of rapid cuts to the marginal rates of personal and corporate income tax. At the same time many government services were cut or saw the implementation of user fees. In post-secondary education for example Alberta led the nation in tuition fee hikes with 208% increase between 1990 and 1998. User fess for health care were also introduced at the same time. These shifts in fiscal policy were accompanied by a policy shift that placed greater emphasis on privatizing public services and making public services more accountable. In both Alberta and Ontario KPIs were a barometer for these new policy goals. The main measures used in Alberta were, enrollment figures, completion rates, labour market outcomes, research funding and, completion rates. In addition, each institution was required to submit a three-year business plan. These business plans must contain plans for links with private partners.

I want to focus on two elements of the KPI program in Alberta to make my case. The first is enrollment data. This is among the easiest to measure and most visible of the KPI criteria. It is also the indicator tied most closely to base funding. To be clear, the enrollment data that KPIs take into account here are "extra to load bodies institutions" that are able to add over there current funding allocation. In a perverse bit of policy those institutions that do less with more are rewarded by, well, being asked to do even more with less. In essence, universities and colleges were pitted against each other in a competition for students with the "prize" being additional funding that covered only a portion of the extra teaching and infrastructure costs that came

with every student.[6] The rhetoric that surrounded KPIs was largely unvarnished and complaints from universities fell on unsympathetic ears. Witness the following statement by Jack Addy, the Alberta Minister of Learning: "[KPIs] are about results, not whining and complaining from universities.[7]" Despite this emphasis on results, public funding for Alberta colleges and universities fell by 16.7% between 1992 and 1997. As was the pattern in Ontario, the rhetoric around accountability and results is ramped up by governments at a time when public funding for colleges and universities is decreasing. The second element of the KPI strategy in Alberta will establish the second pattern which has been hinting at. Namely, that KPIs, where they have been implemented or discussed in Canada, also come packaged with not so veiled incentives to privatize colleges and universities. In the Ontario case, the policy of tying public money to private fundraising compelled institutions to strengthen ties to the public sector. These increased ties have led to some subtle and not so subtle changes in the governance and mandate of Canada colleges and universities.[8] Without doubt, however, they have undermined the public mandate of colleges and universities by making them more sensitive and, in some cases, down right beholden to corporate partners.[9]

Moving back to the Alberta example, one of the most important KPIs in Alberta is the gross amount of research funding an institution secures. The gross amount is significant because of several endemic biases. First, this model of KPI does not build in any allowance for the nuance that humanities research funding is, on the whole, much cheaper to undertake because of lower technology, laboratory and other infrastructure costs. Universities will naturally favour science and other programs most likely to secure high gross research award amounts. Under the constraint of KPIs, even an institution predisposed to promote and reward research in the humanities is dissuaded from doing so by the very structure of the KPI reward (and consequence) model. It is, as has been argued, the unstated and, in some cases, unintended policy outcomes of KPIs that have proven to be the most pernicious. It must be said, however, that regardless of the intent the less than desirable effects of KPIs are a direct product of measures being implemented and enforced by those farthest from the ground.

In both Ontario and Alberta the guidelines were drawn up with minimal consultation with university and college administrators and next to no consultation with students or faculty. In both cases bureaucrats with the responsible Ministries drew up guidelines based on performance and management models generally anathema to the traditional mandate of public institutions. As Jack Addy's remarks make clear, the guidelines come with more than a little disdain for the culture of colleges and universities. Granted, the definitions laid out to begin this paper are politically interested. It seems, however, equally true that the allegedly neutral development of KPI models

comes with very sweeping effects that are themselves more a product of a political ideology than a commitment to the quality and accountability of public institutions. The second endemic bias of measuring gross research funding is that those programs able to secure lucrative research contracts with private partners will reap the benefits while those program less attractive to industry will be a net drain on the universities KPI outputs. At both the federal and provincial level in Canada virtually all new funding for research are public/private partnership models in which at least 40% of the funds must come from private sources. Canada is also in the initial stages of developing a national strategy on the commercialization of research. A vital element of this strategy is a formula to reward universities and colleges that commercialize their research with new funding. Those institutions that currently lag behind in their ability to raise private capital will fall farther behind. Indeed, despite being a relatively new policy development the disparity between the largest and richest urban institutions and smaller schools has grown sharply under this public/private model.[10]

Conclusion(s)

Though it is in its infancy, we can draw several lessons from the KPI policy debate in Canada. First, KPIs have generally been introduced by governments with avowed policies of privatization. That is, in the provinces that have been the most aggressive about KPIs the government in question is broadly in favour of private enterprise and management solutions for institutions generally viewed as public. As I have tried to demonstrate, KPIs are often part of a larger policy goal of increased privatization. Though education has not been as susceptible to the this impulse as other public services, it is clear that KPIs, as implemented and designed, are a useful means of achieving a gradual form of privatization. As second lesson to be drawn from the Canadian experience is that KPIs implicitly and explicitly centralize the decision making process of colleges and universities. Contrary to the calls for efficiency and accountability that accompany KPIs, the move to centralize generally makes institutions less responsive to local needs and less efficient in determining strategic plans that make sense for the institution and community in question.

To conclude, it would seem that this paper has given an entirely one side view of KPIs. However, that is not its primary purpose. The basic premise of the paper is to argue that the current options on offer as KPIs have done little to improve the accessibility, quality or accountability of public colleges and universities. From a purely pragmatic perspective, the available evidence suggests that KPIs are doing more to hinder than facilitate those goals. In addition, outcomes that KPIs are designed to measure often ignore the social goals of accessibility and equality outlined at start of this paper. From the perspective of the Canadian student movement the question is not so much

whether KPIs are a good or a bad thing. The question in the end is a complex political question about what the social aim of KPIs are and, most important, who decides just what a key performance indicator is. When those form the starting point of our discussion about KPIs students will perhaps take a less jaundiced view of this policy development.

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Notes

1. See *Corporate Campus* (ed. Jim Turk) as well as "The Kept University" in *The Atlantic Monthly*, March 2000.
2. This attempt at overt private sector models of management is, of course in addition to the "voluntary" shift toward more private sector style governance of colleges and universities. Bill Readings makes this point powerfully in *The University in Ruins*.
3. See Bill Bruneau and Don Savage's *Counting Scholars Out* for a history of the relationship between KPIs and management theory.
4. See Jamie Beaton and CAUT.
5. David Strangway, former President of the University of British Columbia, makes this point in "The Scope of University Accountability" in *Public Purse, Public Purpose: Autonomy and Accountability in the Groves of Academe*.
6. For example, those institutions that met the 4% target got an increase in funding of 2.5% to deal with that influx.
7. See *Counting Scholars Out*, p. 195.
8. See Conlon, "The Betray of the Public Trust" in *The Corporate Campus*.
9. See Report of the Committee of Inquiry on the case Involving Dr. Nancy Olivieri, the Hospital for Sick Children, and the University of Toronto, and Apotex Inc. The report details the link between a betrayal of public research and the sometimes nasty battle universities undertake to secure corporate donors.
10. See *CAUT Bulletin* Volume 2, Number 1. June/July 2000.

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Universality or Specialisation?

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Trade globalisation is beginning to affect universities worldwide. In response to this outside pressure, institutions have become more geared to gaining international repute through research than to maintaining their reputation at home for the quality of their teaching.

As a result of this focus on research, French universities, for example, are losing ground to other kinds of higher education institutions. One of the main reasons is that research encourages specialisation, whereas the market increasingly requires multi-disciplinary and cross-cutting skills.

In order to explore how society's contradictory demands can be met, two opposing models will be presented, one that seeks to preserve the universalist role of universities and another that would prompt higher education institutions to become increasingly specialised in pursuit of research excellence. Between these two extremes, there is perhaps a middle way that is difficult to follow, but that is exceptionally enriching for the university community, provided that university management is rethought.

The primary mistake that can be made in any process of change is to seek to merge the role of individuals with that of institutions. Although universities can continue to pull together all the various threads that contribute to economic development, individuals cannot be expected to have the same multi-faceted profile. This means that the quality of tomorrow's universities will depend on the quality of interpersonal relationships and how they are managed.

Introduction: The changing university environment

The analysis in this paper will obviously focus chiefly on the French university system, although comparisons with other countries will be pointed out whenever necessary.

Although it is a platitude to say that the environment of universities has changed over the past twenty years, describing these changes and measuring their impact on institutions is another matter. The following key factors of change during this period will be examined: competition, demographic shifts, greater student diversity and increased social pressure on universities and strategic responses.

Growing competition

As in the economic sphere, the market and competition are also compelling universities to reorganise and merge in search of a critical mass. As Pierre-Noël Giraud observed (1996), all in all "in opening up to competition, government itself is now bound by a productivity requirement".

Although France is reluctant to consider education as a consumer good, and not without some reason, we must face the fact that we cannot live in isolation from the rest of the world and that there is now a genuine international education market that is dominated by the English-speaking world and a few private groups that are beginning to show an interest in this market because of the potential of new communication technologies.

This French aversion to the market is a product of our history and arises from the fact that, traditionally, no clear distinction has been made between education and culture or training and education (Condorcet, 1792). The "cultural exception" currently championed by France is one example of this mindset. In the field of education, this attitude is reflected in the belated development of vocational programmes in universities.

All of the shifts that are occurring now have been prompted by globalisation and although the process of alliance building promoted by governments and the EU is one possible response, taking steps to ensure continuous improvement in the performance of the education system is another. National and international co-operation programmes can only promote the quest for quality by disseminating and facilitating wide acceptance of innovative approaches.

Significant demographic growth followed by a drop in enrolments

From an initial 850 000 students in 1970, enrolments rose continuously until 1995, when there were some 2 150 000 students enrolled in the French higher education system, giving a 250 % increase over a 25-year period. Enrolments have since levelled off and dropped slightly. However, this current stability of enrolments is no more than apparent, in fact concealing major internal shifts between disciplines that need to be analysed.

It must also be borne in mind that during the decade preceding this period, between 1960 and 1970, the increase was even more abrupt, with university enrolments soaring from 310 000 to 850 000, *i.e.* a 275 % increase over a single decade. This period was marked by the hasty construction of vast campuses on the outskirts of major cities and the mass recruitment of teachers, whose numbers rose three-fold to cater for this new student population.

During this decade, universities underwent an initial series of major changes, culminating in the events of 1968 and the *Edgar Faure Act*, which established their status and autonomy. All things considered, although the growth of the past thirty years has not been of the same order of magnitude quantitatively, the new student population during this latter period has been characterised by a much greater sociological diversity.

Great diversity of the student population

Contrary to what happens in most developed countries, French universities have been indiscriminately admitting student populations that are increasingly diverse in their level and motivation. For example, many students come to university by default, having failed to gain entry to one of the many parallel limited-enrolment educational institutions that have developed over the same period, such as preparatory classes for the *grandes écoles*, university institutes of technology, business schools, paramedical training, engineering schools, teacher-training colleges, etc.

Within the country competition has become intense and every year universities are losing ground to other higher education institutions. For example, over the past fifteen years, the percentage of higher education enrolments in universities has dropped continuously, falling from 66.7% in 1985 to only 60% in 2000 (Table 1).

Table 1. **Percentage of higher education enrolments in universities**

Year	1985	1990	1995	2000
%	66.7	65.2	63.5	60

Source: INSEE.

There are therefore two reasons for the recent drop in university enrolments — demographic leveling off and greater competition from new public and private education institutions.

The fact that limited-enrolment institutions co-exist alongside an open-enrolment system is one of the specific problems of the higher education system in France (Girod de l'Ain, 1993). To face competition, universities are now developing an ever-growing number of limited-enrolment programmes of their own, such as vocational degrees, masters of engineering (IUP) and diplomas of higher specialised studies (DESS). In fact, this is a response to the more or less consciously schizophrenic aspiration towards a system that is both elitist and egalitarian, and which in fact generates profound inequalities. Alain Renaut (2002) recently pointed out that 30% of the higher education budget was devoted to the limited-enrolment very elitist sector of preparatory classes and *grandes écoles*, even though it only accounted for 4% of enrolments.

This institutional restructuring is the most important element that is destabilising universities and directly challenging their managerial elite and supervisory authorities, particularly since this multi-faceted growth has been followed by a major decline in enrolments, with university undergraduate programmes alone losing nearly 100 000 students since 1995, since they are of course most vulnerable. Consequently, the trend towards creating new diplomas, to stop the decline, is more the result of a deep sense of confusion rather than strategic planning: "The label university is being stretched to give it many meanings and uses" (Clark, 1998).

Some sectors, such as the sciences, have been truly devastated, as has been happening in other Western countries. This has struck at the very heart of universities' core activity, *i.e.* the laboratory-based scientific research that expanded with the wave of demographic growth of the 1970s and 1980s. With fewer enrolments in science programmes, how can high-level scientific and technological research be justified or even maintained? Over and above university, the socio-economic implications of this development, leading to corporate relocations, are extremely serious in the long term. However, while certain sectors are losing ground, others are attracting increasing numbers of students, such as physical education, art history, the performing arts, etc., and of course all the new vocationally-oriented programmes, such as vocational degrees, diplomas of highly specialised studies, etc., which are gaining ground at the expense of more traditional programmes. Universities, like all sectors of activity, are also being affected by change and the need for flexibility. This is one of the prime reasons for introducing strategic thinking about the organisation and profile of universities in order to avoid haphazard initiatives.

Social demand

One might well believe, and rightly so, that university remains the crucible for change and innovation and that it is capable of responding to and even foreseeing any shifts in demand. However, the accelerating changes in social demand in France have had the opposite effect of causing universities to focus on their main mission of producing new knowledge, *i.e.* research. The "barbarian hordes", to coin the expression used by Francine Demichel (1995), who have flooded into universities have caused teachers to withdraw to their laboratories to pursue excellence in an environment where they are not subject to outside contingencies and social assessments.

However, this initial overview of the situation conceals the fact that circumstances vary widely across institutions, although there are some underlying trends. For example, one of the responses to social pressure has been the unprecedented development of technology and the service sector in recent years. However, these two sectors remain vulnerable, for they are often marginalised, even though they have profoundly modified university structures by introducing the seeds of a deeper change that must now be fostered.

Traditional university structures and missions

Universities still have structures inherited from history, based on the Napoleonic or Humboldtian models, and they remain dominated by disciplines, which act as veritable organisational categories within the sphere of scientific knowledge (Morin, 1999).

A cultural and functional polarisation slanted towards research

Research remains the activity of choice for most academics, despite the lip service paid to the importance of students and teaching, and this tendency has become more marked in recent years. For this there are three main reasons:

- **a fundamental reason:** "each science has its own epistemological rationale that promotes research" (Savater, 1998), and the pursuit of knowledge and hyper-specialisation remain the driving force behind any academic activity;
- **a practical reason:** as a logical consequence of the above, the careers of teachers/researchers are largely determined by their scientific output and the evaluation of their work by their peers;
- **a psychological reason:** this has already been discussed above; paradoxically, the accelerating and shifting social demand for an opening up of universities has had the opposite effect of leading them to focus on their basic mission of knowledge production, *i.e.* research. The introduction of institutional evaluation policies (National Evaluation Committee,

Ministerial Missions, Regional Committees, etc.) and contractualisation policy are further increasing this polarisation.

Despite the commendable efforts of a handful of teachers — but who are looked down upon by researchers — undergraduate programmes have literally been left to their own devices and as a result are now being deserted by students (see Table 2). We are thus paying a heavy price for not having placed greater emphasis on teaching activities in academic careers. And yet, "it is sometimes better to teach theories that are somewhat out-of-date in the eyes of researchers, but that are more understandable and stimulating for beginners" (Savater, 1998).

Table 2. **Trends in undergraduate programmes over a six-year period**
(IUT: University Institute of Technology, CPGE: Preparatory classes for *Grandes Écoles*, STS: Advanced Technician Section)

Programmes	1995-1996 academic year		2000-2001 academic year		Change (%) 00-01/95-96
	Enrolment	Proportion (%)	Enrolment	Proportion (%)	
University	686 353	62.6	576 755	56.4	–16
IUT	103 092	9.4	125 209	12.2	+21.5
CPGE	70 288	6.4	70 389	6.9	+0.1
STS	236 426	21.6	249 825	24.5	+5.7
TOTAL	1 096 159	100	1 022 178	100	–6.7

Source: Ministère de l'Éducation nationale.

Between 1995 and 2000, undergraduate programmes lost over 100 000 students, or 16 % of their enrolments. Although it is true that much of this loss is explained by demographic trends, enrolments in vocationally-oriented programmes did grow significantly during this period.

Person-centred management

Usually a university system gives the key role to individuals rather than to the institution. As organisations, universities have little say in how teaching staff are recruited and managed, as these choices are made by individual departments. This method, which can be described as self-management, ensuring academic independence, also has some unwanted effects:

- The first of these negative side effects, and one which is increasingly apparent, is the **compartmentalisation of disciplines**, which impedes any cross-disciplinary research and condemns multi-disciplinary programmes to be marginalised and ultimately phased out of universities (university institutes of technology, engineering programmes, etc.). This

compartmentalisation also poses a democratic challenge since it means that "technical competence becomes the preserve of experts" (Morin, 1999).

- The second side effect is that it ultimately reduces the autonomy of universities as regards research policy they are often short-circuited by academics themselves, who deal directly with their supervisory authorities and with major research institutions such as the CNRS (*Centre National de la Recherche Scientifique*), INSERM (*Institut National de la Santé et de la Recherche Médicale*) or INRIA (*Institut National de Recherche d'Informatique et d'Automatique*).
- The third side effect is the large number of more or less official experts who come to act as intermediaries between the supervisory authorities and universities. The newest of these categories is that of the *conseillers d'établissements* (institutional advisors), who have a hybrid status midway between university presidents and the managers of higher education programmes. Once these distinguished academics have been appointed to this post, they then use the title and the real or imagined strategic position to engage in opaque and intermittent power games and networking (Musselin, 2001).

The *Savary Act* has merely recreated a new academic establishment of a more subtle kind since it is based more on networks than on professorial responsibilities or personal qualities. The power of university presidents, which is in theory quite considerable, is very often neutralised when it comes up against these new fiefdoms within universities. This situation explains the current malaise among university presidents, who have rightly called for a clarification of their role (CPU, 2001). This debate has now been taken up by legislators, who would like to introduce changes into the 1984 Framework Act, although the teachers' and students' unions have taken a stand against the "presidentialisation" of universities. The ideological lines of battle have been drawn up, but there is no rational solution in sight to solve the problem of the universities' inability to respond to needs.

As stated earlier, psychological reasons are widely cited to explain this inertia: "the lack of initiative inherent in universities is largely due to an unwritten rule that no one must openly pass judgement on their colleagues' work" (Gimenez, 2000). Through their interpersonal relations and positions, the various actors build up power relationships that lead them to adopt avoidance tactics and/or haphazard courses of action. The unprecedented step of creating new diplomas in a situation of declining enrolments is one of the best examples of this kind of behaviour. In this kind of situation, what will become of the hopes raised by the virtual university based on the use of new technologies?

Diversification of missions

Today, the university has a definite economic development mission, which stems naturally from its two historic missions of education and research.

Decentralisation legislation and contractual policy have finally imposed this new orientation. Although implementation was awkward in the initial stages, elected officials have become much more professional in exerting pressure, and genuine contractual relationships have now been established between local and regional authorities and universities. At the same time, academics have become far more serious in their proposals and management.

Although there are still many pockets of resistance, the concept of contracts is now completely accepted. The university's economic development mission is all the more clearly recognised and necessary in that the university's potential in this regard often ranks much higher than the region's economic importance. This is therefore a heavy responsibility for the university community, which must meet high performance requirements given the amounts invested by local and regional authorities.

A change in mission necessarily implies a change in organisation, for an army stationed in a garrison is not the same as an army actually engaged in operations. Consequently, we must organise our forces in "battle order", to use Alain Touraine's expression (1995).

Strategic responses

Democratisation was long the university's main combat, at the risk, as we have seen, of opening its doors to young people ill-prepared for higher studies and of forcing its teaching staff to cope with a situation radically out of line with its traditional missions. Today, "university reform cannot be satisfied with democratising university education and expanding enrolments. It also concerns our ability to organise knowledge, that is to think" (Morin, 1999). Organising knowledge will initially require reorganising the institutional framework, for teaching and learning are dependent on organisation. This re-ordering of universities will also require a fundamental change in human resource management, for education, and higher education in particular, remains a labour-intensive, communication-based sector, since value added is mainly created by the activity of the men and women involved. At an organisational level, universities must position themselves in relation to the education market that they choose to target, which will lead us to examine three different strategies, *i.e.* universality, specialisation or regional linkages.

Maintaining universality at all costs

When French universities were created in 1968 under the *Edgar Faure Act*, no thought was given to the profiles of universities since this legislation was

aimed at responding rapidly to a crisis. Universities were put together hastily by federating the former faculties. Thirty five years later, a rather artificial typology of five kinds of universities based on dominant disciplines, can be presented:

- Scientific and/or medical.
- Multi-disciplinary including medicine.
- Multi-disciplinary not including medicine.
- Tertiary, predominantly arts and humanities.
- Tertiary, predominantly law and/or economics.

To which a further group must be added:

- Engineering schools and institutes of technology within universities: group VI.

And two categories specific to the French system:

- The 3 national polytechnic institutes and the 3 technological universities: group VII.
- Independent institutions, independent engineering schools, institutes of political science, major institutions, etc.: group VIII.

The respective enrolments in these eight groups of university-level public higher education are shown in Table 3, which also includes the other post-secondary education institutions.

Table 3. **Typology of the French higher education system**
Figures for the 2000-2001 academic year

Group	Universities and like institutions	Number of institutions	Enrolment	%
I	Scientific and/or medical	15	274 462	21.8
II	Multi-disciplinary including medicine	20	359 945	28.6
III	Multi-disciplinary not including medicine	25	228 288	18.2
IV	Tertiary, predominantly arts and humanities	14	265 469	21.1
V	Tertiary, predominantly law and/or economics	8	129 241	10.3
	Subtotal for universities		*1 257 405*	100
VI	Programmes for technicians and engineers	152	142 473	10.2
	Subtotal for all universities		**1 399 878**	100
VII	Polytechnic Institutes, Technological Universities	6	16 300	1.05
VIII	Various schools and other higher education institutions		139 605	9
	Total National Higher Education System		**1 555 783**	100
	Other ministries		*202 338*	
	Upper secondary (Lycées)		*320 214*	*28.10*
	Private higher education		*85 644*	
	Overall total		**2 163 979**	100

Source: Ministère de l'Éducation nationale.

Although the genuinely multi-disciplinary universities, *i.e.* those in Class II, are the largest single component in this complex whole, they are in a minority, showing that the universality of universities is already a thing of the past. They are also the group that has lost the most students over the six years between the 95-96 and 00-01 academic years (Table 4).

Table 4. **Enrolment trends for the five main groups**

Group	Universities	Change, 95-96 to 00-01 (%)
I	Scientific and/or medical	–6.21
II	Multi-disciplinary including medicine	–8.30
III	Multi-disciplinary not including medicine	4.94
IV	Tertiary, predominantly arts and humanities	–1.95
V	Tertiary, predominantly law and/or economics	–1.17

Source: Ministère de l'Éducation nationale.

Although these general trends reflect very different situations, they can be explained by two main factors:

- a significant decline in enrolments in science subjects, (Porchet, 2002), but also
- the emergence of new universities, primarily in group III.

For example, the new universities in the Paris suburbs, such as Versailles-Saint-Quentin, Cergy Pontoise, Marne la Vallée and Evry-Val d'Essonne, which belong to this group, have had respective growth rates of 13.42, 15.67, 44.66 and 50.40 % during this period. This growth has taken place at the expense of universities in central Paris, as the thirteen Parisian universities lost 5.5 % of their enrolments. The outlying cities of Orleans, Rouen and Reims lost 7.44, 11.98 and 17.98 % of their enrolments respectively.

Thus, there has been a redistribution of enrolments within the greater Paris region, but in Paris it is the scientific and medical universities that have been hardest hit by the drop in enrolments.

An initial comment that needs to be made about these developments is that there is no deliberate policy of promoting one category over another on the basis of clearly defined principles. The current situation of universities is more the outcome of local policy aspects than of strategic decisions.

The second comment, which follows from the first, is that further analysis of the multi-disciplinary model is required. This model, which is often defended by medium-sized towns, is only justified by the fact that it can offer students a full range of choices, in the name of public service, which has prompted Edgar Morin to call for "an epistemological or transdisciplinary contribution" in all universities "in order to foster and disseminate a way of

thinking that would make reform possible" (Morin, 1999). The real issues at stake in multi-disciplinary education are in fact barely touched on in type II and III universities, given the high level of compartmentalisation between disciplines, which we believe is only increased by research and evaluation systems. "In my view, the university system seems to be seriously handicapped by the fact that it is divided into completely separate compartments", observed Pierre-Gilles de Gennes in 1994, calling for a serious questioning of the "academic establishment". Although academic research naturally tends towards compartmentalisation, the mutual sharing of knowledge is highly productive in R&D and innovation (Callon, 1993). The fact that we repeatedly lag behind in this field is also explained by the lack of relations between disciplines because of the "positivist prejudice" of Auguste Comte (de Gennes, 1994).

Specialisation and market positioning

If universality largely reflects local policy considerations and/or ideological choices of a "public service" nature, what then can be said about specialisation?

No doubt local policy is also the main reason justifying specialisation in major university centres such as Paris, Lyon, Toulouse, where it is logical for several universities, with large enrolments and many different sites, to specialise in order to be more efficient.

This one-dimensional and technocratic approach has no strategic justification and universities may be organised in very different ways without any rationale regarding sites or disciplines, political and personal aspects playing a key role, as in the case of the three universities in Marseille, each of which has a scientific component.

This being the case, it is very difficult to judge the relevance of the specialisation model, other than by means of the figures in Table 4, which show that groups IV and V are experiencing fewer difficulties than groups I and II with regard to enrolments. These highly distinctive universities can take advantage of these characteristics and attract students because of the excellence and reputation of well-defined and understandable programmes. This is the case of the Université Paris 9-Dauphine, in group V, created in 1968 with a clear objective of professionalisation that has enabled it to have a continuous influx of students.

Another example that can be given is the technological universities and associated institutions, which are in fact only engineering schools of larger than average size. This group only accounts for 1 % of enrolments in the National Education System (Table 3, group VI). This reflects a characteristic feature of the French system which, since engineering schools have historically been separate from universities, has not developed technological

universities in the sense of the term used in the English-speaking world. Technology remains dispersed in universities of all groups, most often in institutes with autonomous status. This dispersion shows that the transdisciplinary fields represented by technology are poorly integrated into the system (Troquet, 2000). Ultimately, steps will have to be taken to incorporate technology into the system and to build major technological universities in which the tertiary sector would have its natural place (Troquet, 2001).

Regional integration

Pending this fundamental reorganisation, the system must still be made to work. The only way to do so is to promote regional integration, with special emphasis on strengthening the role of universities in economic development. The emergence of regions since they were created under the 1982-1983 Decentralisation Act and the need to articulate the various levels of education argue in favour of a regional reorganisation of universities with the participation of business. This is a difficult path, given the historic separation between education and the economy in French culture, but it is a path that must inevitably be taken. This will break with the traditional technocratic, centralising approach and allow local actors to make their own organisational choices. However, this will only be possible if there is a collective will, a clearly defined starting point and outside guidance to act as a catalyst for change.

The tools for strategic positioning

In certain French regions, this process is already under way at the initiative of local authorities which are financing major investments. By investing in buildings and equipment, the regions are able to choose the direction of future development, but above all they can plant the seeds of an entrepreneurial approach in the university environment. However, so as not to reproduce the dysfunctions of the national "automatic handout" policy at the local level, it is essential that there be collective strategic thinking about the university's objectives in the new demographic situation discussed above, and about the organisation of the entire higher education system.

Collective redefinition of objectives

The first stage is to define educational priorities. This is the central question from which a new organisational model will flow. If teaching is recognised as an absolute priority, then teacher evaluation must be reconsidered as being the cornerstone of university management. The French system has acute shortcomings in this regard. On this issue, like others, one report follows another, but their recommendations are never successfully implemented in practice. From Michel Crozier (1990), to Alain Lancelot (1995) and

Jacques Dejean (2002), a long list of authors have observed that "there is virtually no theory of teacher evaluation in France" (Dejean, 2002). A revealing fact in this regard is that, between Lancelot (1995) and Dejean (2002), the titles of reports have shifted discretely from "teacher evaluation" to "teaching evaluation".

However, teacher evaluation is inevitable, for it too promotes a certain cross-cutting approach by making comparisons between disciplines.

Shifting the university paradigm based on research and its evaluation entails "rebuilding a value system" (Dejean, 2002) in the light of both demographic and qualitative trends. This refocusing of the university's objectives must be accompanied, at the very least, by an in-depth reorganisation.

Organisation

Today, any organisation, public or private, must base its action on the definition of its "mission" and the development of a "vision" for the future (Boyer, Gozlan, 2000). The university's public service mission was formerly clearly defined within a centralised education system. Because of changing social demand and the wider range of students, the academic professions needs to be rethought in depth and refocused, reversing the process of education supply to take account of the expectations of users and society, and not just the competencies and/or wishes of teachers. The key problem is to reconcile the two terms, users and society, for today there can no longer be any question of implementing planned systems, yet how can we prevent the student population from heading for courses that are unrelated to the needs of society?

There is an answer to this question — guidance and counselling. In a higher education system that is completely open, guidance and counselling play a crucial role. There is a need to provide much fuller information at the secondary level on occupations, jobs and training and education programmes, and why not even consider devoting a semester or a year to guidance during which all students would be gathered together by broad multi-disciplinary themes before making their choice? Although a programme of this kind would theoretically be easy to implement, in France the concepts of "free educational choice" and "equal opportunities for equal abilities" make it difficult to change. The fact that guidance and counselling have had little success in this country is due to the perception that equality and freedom are competing values.

Several approaches that can open the way and support the process of change

In the first place, why there is such resistance to change in France? Very often it is a problem of how change is presented, for it is perceived as something that is imposed from the outside, to which people are forced to

adjust. Levet contrasts this with foresight: "foresee rather than adapt" (Levet, 1997). This is a very different approach, for in this case it is the stakeholders who take the initiative and assume responsibility for their own future.

Regaining the initiative could be the first aspect of a university strategy, although this will require disconnecting the individual from the institution as a whole: imposing limits on egalitarianism also means accepting that there are different profiles without making value judgements. Giving priority to teaching over research would be to forget that the university is at the cutting edge of knowledge and that knowledge is worthless if it is not put to use. Teaching is by essence the prime justification for the quest for knowledge. To establish a process of "continuous forward movement" (Praderie, 1993) means evaluating the system and comparing it with other experiments.

To achieve this goal, it is essential to have a broad knowledge of the context in which universities are working and to engage in ***strategic watch*** and benchmarking. In the country of the rights of man, that the problem of education seems to have been settled once and for all with the French Revolution. There is even a certain arrogance, all too familiar in the French-speaking world, on the part of many fashionable thinkers and philosophers who are constantly reminding us of this glorious history. But their memory is selective, for who among them remembers what Condorcet said (1792): "Consequently, government must above all avoid entrusting education to a teaching profession responsible for its own recruitment… for the education such teachers dispense will always be aimed, not at the progress of enlightenment, but at increasing their own power; not at teaching the truth, but at perpetuating prejudices useful to their own ambition"? The need for teacher evaluation is indeed essential.

European enlargement provides a wonderful opportunity to redefine our forms of organisation and harmonise curricula. Today, there is a clear sense that we have reached the end of a certain form of haphazard development dominated by the old academic establishment. The rapid expansion of programmes and exit levels is obviously one factor that conceals the real nature of the problems and seeks to postpone change. The real issues at stake are now pedagogical and to address them two fundamental questions must be investigated:

- How do students learn (Hargreaves, 1996)?
- What is the relationship between knowledge and action (Troquet, 1997)?

These two questions are interconnected and raise the issue of student ***motivation***. The greater diversity of the student population necessarily has an impact on the university's mission, and the difficulties stem from the mismatch between education supply and expectations.

To meet these expectation, and if possible anticipate them, will require introducing an entrepreneurial culture into universities. This new culture must not sacrifice the academic values of independence and autonomy, but must be careful to maintain the continuity of the institution's various teaching, research and management activities.

Conclusion

Between universality and specialisation, there can be no simple answer. The universality espoused by some academics is little more than lip service, given the level of compartmentalisation between disciplines. Specialisation raises the issue of professionalisation, and if this objective is maintained, excellent results can be achieved both in research and teaching, and the link between these activities will be much stronger. On the other hand, it will be much more difficult to be open to innovation from other subject areas, and there is a risk that these institutions will ultimately become ossified and generally lapse into recruiting staff only from within.

If Europe of the regions is to be built, we believe that curricula must be harmonised at the European level and the content diversified at regional level to bring it as closely into line with social needs as possible. This will make it possible to justify multi-disciplinary institutions within a regional environment, while elsewhere specialised institutions will better meet local expectations. However, the emergence and spread of technology within the tertiary sector has given a renewed sense of urgency to the problem of creating major technological universities in France.

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Gestalt Revisited: Spin-offs and Assessment in International University Co-operation

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International university co-operation is in a constant state of metamorphosis. Its future rests upon extraneous forces such as globalization and internationalization and also upon those who make policy decisions. Many international university organizations are auditing their programs and initiatives to such a degree that the cost effectiveness of such quality control measures are put into question. Institutional leaders are often forced to contend with low morale, trying their best to bolster a sense of hope, meaning and potential to international initiatives that are more likely to be financially sound than altruistic. Although current data suggest that bottom-top approaches to international co-operation are more likely to withstand the changes of time, it is often left to top-bottom directives to set a course for action. Drawing upon a specific and recently updated research study, this paper examines salient programs and initiatives that would otherwise not exist had it not been for certain policy makers who have actively advocated and promoted international university co-operation. It is in this vein that Wertheimer's Gestalt approach is re-examined.

Background

The ongoing study

An ongoing study, which began in 1996, was undertaken to identify, describe, and map the emergence of international consortia in higher education. Over 500 international university organizations worldwide were identified, classified, and analyzed. The study began with the pre-supposition that international consortia and other forms of international university co-operation identify themselves by their stated purpose and mission rather than by their organizational make-up. This study expands on Neave's prior classification of inter-institutional partnerships based on administrative patterns: 1) the centrally coordinated network; 2) the growth pole; and 3) the international consortium (Neave, 1991). Although organizations were categorized differently in this study, the two research initiatives share the premise that inter-institutional partnerships consist of three or more institutions that pursue educational collaboration on an international level. In an effort to identify as many types of international university organizations as possible, this study also collected information on the following organizations: world universities; satellite or extension (offshore) campuses; bridging and twinning programs; entrepreneurial profit-making groups (*e.g.* information and advising centres, overseas education brokers, credit evaluators, study/travel operators); inter-governmental and non-governmental educational agencies; and those entities based on bilateral and multilateral memoranda of understanding, mutual compliance, or exclusive membership. This broad spectrum of international university organizations provided the opportunity to analyze patterns and distinctions that helped distinguish between various organizational types. The emphasis on the analysis of data was placed on identifying commonalities and/or differences in relation to purpose and mission, governance, management, region, and sponsorship. Moreover, instead of placing organizations into common typologies as a result of the analysis, the study utilized a self-classification approach in a survey questionnaire format for organizations to classify themselves given certain parameters. Organizations were asked to classify themselves under the following three typologies: international consortia, international alliances, and international agencies. The study found that, although international university organizations share similar administrative attributes (*e.g.* a governing body, a manager, a mission, and a funding source(s)), it was their organizational purpose – how they identified themselves – that set them apart.

Discussion

A description of international university organizations

In general, international university organizations serve to support, expand, diversify, and – perhaps more precisely – supplement inter-institutional co-operation on an international level (Denman, 2002). Although international university co-operation is generally perceived as collaborative inter-institutional research and institutional resource consolidation, its underlying purpose has been to serve a wider community that expands beyond national borders with an emphasis on complementing or promoting certain international-focused programs or initiatives. Although the proselytizing and selling of international education to students – from study abroad to exchanges to short-term courses – may be considered misnomers in the name of international university co-operation, they represent the bulk of initiatives in international education. They share common ground with developmental aide and consolidated-type organizations only from the standpoint that they contribute toward the internationalization of higher education. From their perspective, their intention is to primarily serve the needs of the student or audience to which they cater. Any profit from international education usually stems from the necessity to diversify funds lost from other sources (*i.e.* government subsidies, grants, publications, donors) or to create self-sufficient, fee-generated programs/projects in order to maintain sustainability. They often perceive their role in the grand scheme of international university co-operation as expanding and broadening international educational opportunities that would otherwise not exist. In contrast, there are nations that do not support "user-pay" principles by charging tuition fees. In these instances, international university co-operation is generally viewed in terms of the training and development of academic staff or the curriculum. This suggests a varied but convoluted dissonance in how international university co-operation is perceived around the world. Although it can be assumed that a dichotomy exists between the nations that do and the nations that do not support "user-pay" principles, it appears relevant to study them together as a whole, since otherwise, the deconstruction of international university co-operation would have to reflect the culture and context to which it belongs. Some scholars argue that the emergence of these organizations is another trend toward the massification of higher education. In most instances they are, but perhaps the aggregate of the whole may be contributing more toward the growing trend of mass higher education in general. According to El-Khawas *et al.*,

> "Many countries have seen a doubling or tripling of post-secondary enrolments in the last few decades, along with increased population rates for young people. In most middle income countries today, between

25 and 45 % of young people enrol for higher education" (El-Khawas *et al.*, 1998, p. 4).

The proliferation of international university organizations established since World War II affirms this trend (Denman, 2002). Apart from the majority of international university organizations that diversify choice listings, expand offerings, and serve to offer different modes of delivery, some have simply developed out of necessity because of overcrowding or over-enrolment at the institutional level (*e.g.* in a specific department) or, in lesser cases, at the national level. Developments since World War II have instituted a complex but active matrix of international networks that contribute toward international university co-operation mostly on an inter-regional level. However, increased usage of multilateral exchanges is emerging, suggesting that trans-regional educational exchange schemes not only exist but also are meeting new needs beyond the region for which they were prescribed (Denman, 1999). Whether these emerging trends are a result of forces such as globalization and internationalization has yet to be determined, but these forces clearly have had some impact. What presently exists and how these organizations function is briefly described as follows, but with the caveat that other types may exist.

International consortia

International consortia are characterized as organizations that contribute toward international university co-operation in the form of international exchanges, the internationalizing of curricula, and the sharing of institutional resources. They differ from other forms of international university organizations not only in terms of organizational structure and function but also in terms of sponsorship. Most international consortia, both membership and non-membership-based, are formed predominantly at the institutional level, suggesting the tendency to utilize bottom-top approaches regarding the institutionalization of educational policy. International consortia may also be referred to as inter-institutional partnerships (if three or more partners) but, in addition, they can take the form of freestanding, hub-type organizations that serve a similar, like-minded purpose. As a result, international consortia can be further delineated in the form of sharing-oriented or economic-oriented international consortia. Economic-oriented international consortia (including hub-type organizations) generally supplement higher education as separate, self-supporting entities. These organizations are fee-generated but do not necessarily have to be profit making. Sharing-oriented international consortia (including clusters of like-minded institutions) tend to consolidate – even amalgamate – existing organizational structures. These include but are not limited to: library resources, physical spaces, shared curricula and degrees, and technological training/development.

International alliances

International alliances include multilateral international development organizations, international-oriented university and/or higher education associations, or international unions, councils, or coalitions. What sets international alliances apart from other forms of international university co-operation is their reliance on membership fees and their active involvement in programs and other service-oriented activities rendered. Although they are similar in administrative structure to "hub-type" international consortia, differentiation lies in their organizational purpose. Unlike other forms of international university co-operation, international alliances tend to concentrate on specific fields of study or on pressing international and/or global issues of mutual concern.

International agencies

International agencies consist of at least two distinctive types: inter-governmental agencies and project-oriented international agencies, the latter which includes area study centres and institutes. Inter-governmental agencies are principally sponsored and funded by national governments but are administered by either an institution or agency. Project-oriented international agencies, on the other hand, are agency sponsored and administered. Because the latter have a tendency to be market driven and/or grant driven, they are more reliant on developing "niche-type" programs and/or initiatives that require individuals to pay for their services or products. Although both inter-governmental agencies and project-making agencies are distinctly separate as far as sponsorship is concerned, they do share the functional attribute of serving as centres or as places to go for specific information. In addition, their organizational purpose generally emphasizes collaborative research on an international level.

These three types of international university co-operation are presenting a number of new challenges for higher education. These include but are not limited to: pools of new, non-traditional (international) students and staff; course transferability and recognition of degrees; work ethos and protocol across diverse cultures; compliance and standardization of course content; intellectual property rights; and attempts for higher education to seek new and diversified funding opportunities. As Farnham states,

> "Those paying for higher education – taxpayers and increasingly students – expect it to be of a high quality and delivered cost effectively ("value for money") and flexibly. The intermediary in this process, where it is not the market, is government and its agencies of financial control. Those leading and managing mass higher education institutions, in turn, are made more accountable for the use of the resources and systems which

they manage, while institutions become ever more complex and rule bound" (Farnham, 1999, p. 357).

Spin-offs

Elevated status in leadership (*e.g.* title, role, and responsibility) in international education – from policy makers at national levels to those at institutional levels – have signalled that greater attention, credibility, and respect must be given to develop, monitor, and assess inter-institutional partnerships. Leaders at institutional levels are beginning to assert that the semantic interplay of words of an institution's internationalization mission must be met with specific courses for action. Adequate governance also is essential, but as Bargh *et al.* suggest, "effective governance is likely to depend more on interpersonal and largely informal relationships rather than on constitutional or structural arrangements" (Bargh *et al.* in Sizer & Cannon, 1999, p. 198). Whether through collective leadership, bargaining, or through an individual leader's initiatives, there are at least two patterns that are emerging, suggesting that spin-offs in international university co-operation are being facilitated by policy makers from the top and filtered downward.

The first pattern is one of multilateral organizations encouraging international university co-operation by identifying social policy needs that protect and, in some cases, bolster the economies of those nation states to which they cater. This, in turn, has provided the impetus for many national governments (usually of those that are members of the multilateral organization) to increase student mobility for the sake of improving relations within a given region or territory. Although the inter-institutional partnerships forged have been designed at least initially to meet needs within a given region, new programs have been drafted to include other parts of the world. Although reasons may vary as to why these programs are expanding at trans-regional levels, they offer new insights into issues such as inclusivity and exclusivity as well as providing new and diverse funding opportunities. National, inter-regional, and state governing bodies as well as philanthropic foundations – principally from developed countries – are helping set policy directives for higher education institutions by offering financial incentives to areas of the world that promote or elevate their own interests or concerns. Although the financial incentives are usually in the form of grants, institutions are increasingly forced to comply with certain policy standards and protocols as a condition to receiving a grant or award. Even though these standards and administrative protocols may be extensive, most institutions are willing to abide by such controls.

The second pattern is one which emphasizes institutional organization. Currently, directors of international offices, centres, and institutes are often being replaced or promoted to higher levels of administration. This may be a

result of presidents, rectors, and vice chancellors wishing to have more direct involvement in the internationalization process, from the instituting of policy to the implementing of practice. It is generally believed that in elevating the position of an administrative official supervising international education, the institutional head has greater opportunity to exercise discretion, particularly if there is a struggle between administration and academic staff. In some cases, international education offices have been transformed from student to academic services, usually with a dean or academic chair overseeing programs and activities. Both forms of institutional organizational change have provided greater incentives for faculty to initiate and develop their own inter-institutional partnerships. Clearly, this may not necessarily be to appease new institutional authority, but perhaps to specialize and raise the level of commitment to things "international", or at the very least, to vie for control of some aspect thereof. Farnham's study complements this notion, for his research suggests that,

> "… the academic profession appears to be evolving from what was formerly a small, relatively homogenous intellectual elite into a large, more diversified set of 'sub-professions'." (Farnham, 1999, p. 358)

This suggests that leadership exists at multiple levels. The organizational purpose of a given institution not only helps to provide the incentive to "internationalize", but also to pave its way at various levels.

Transformations

In 2001, survey questionnaires were distributed to update information on the 510 international university organizations that had been identified annually since 1996. Although the primary purpose of these surveys was to collect current information on these organizations, it was found that a number of changes had taken place among many of these organizations, some quite dramatically. Out of a total of 209 responses, 22% experienced some change in their organization within a year time span. Over half of the 22% had made changes within their organizational purpose.

Within the total organizational changes identified, 51% changed their organizational purpose, 42% the location of their headquarters, 40% their funding sources for income, 38% contact personnel, 36% upper management, and 32% in their organizational mission. The amount of change within each organizational type (international consortia, international alliances, and international agencies) was proportionally equal.

As a result of these responses, each organization was contacted individually for further clarification and to confirm that the updated information had been correctly relayed and interpreted. In approximately 10 of 47 cases (or 21% of those organizations that noted changes), discrepancies

were noted as a result of incorrect information given. In those 10 cases, corrected information was re-supplied and reaffirmed by each organization in question, usually by upper management.

Although this study did not take into account any difference between economic-oriented and shared-oriented international university organizations, it was determined that, in a number of cases, a given organization would characterize itself as both, neither, or would provide conflicting information. This was affirmed with follow up information. The study also did not take into account the possibility of fabricated or mis-information other than through follow up contacts, since it was believed that the survey questionnaire was objective and straightforward with little or no hint of bias. In general, the data reflect that international university organizations seem to be in a constant state of flux, and in some instances, having to reinvent themselves.

The concluding data of these changes offer insight into the susceptibility of unforeseen forces that constantly bombard and consequently affect international university organizations worldwide. Clearly, their prosperity relies heavily on solid leadership, a diverse and healthy financial portfolio, and strong management. However, with the constant vying for control both externally and internally, possible hidden agendas by sponsors or other stakeholders, and increased bureaucracy to maintain quality control and monitor certain standards, there is increasing scrutiny about how international education must and should be assessed.

Approaching assessment

Defining terms and identifying necessary variables – such as those forces that enforce or impede progress – are difficult tasks. Gillespie believes that quality in international education should be measured qualitatively by the students' awareness of culturally shaped knowledge and quantitatively by the number and kinds of opportunities that expose students to local and material culture (Gillespie, 2002, p. B20). The problem with this combined set of measurements is that the two approaches do not necessarily validate the findings of one over the other. In addition, there is a general vagueness in how quality is and should be defined, particularly when the "standards" from one institution vary greatly from others. Potts prefers to study impacts of international education, since the advocacy and support for international education is still in its infancy stage (Potts, 1998). His comprehensive case study analysis investigated the intercultural values students learn from an overseas experience, their economic impacts from local, regional, and national levels and their institutional impacts (*i.e.* enrolments, credit hour production, tuition income, housing revenue, and degree completions) (*ibid.*, 1998, p. 3). Although his research yielded some very interesting

conclusions, namely that institutional impacts need to be studied on a national scale, he notes that further research is necessary to study its assessment, specifically at the national level (*ibid*., 1998, p. 11).

If one were to assume that international university co-operation, let alone international education, is culture-dependent, then it would be necessary to create a mechanism conducive to permit and recognize culturally relativistic variations in perspective. Equally so, if international university co-operation were considered context-dependent, its existence may be contingent on the complex interplay between internal and external forces imposed on it at a given time and space. Given the relative newness of international university organizations, their susceptibility to change, and of those factors that have some bearing on their transformations, it is suggested that an interpretive approach is best suited to understanding, analyzing, and monitoring international university co-operation.

Accreditation may be viewed as a form of compliance by institutions, but "the value and effectiveness of the entire process lies in the institution's own commitment to excellence and continuous self-study and evaluation" (Bender, 1983; p. 84). At the same time, while increased levels of accountability are forced onto institutional leaders, intellectual freedom is finding that its "autonomy is being steadily eroded" (Berdahl & McConnell, 1999; p. 72). The study of university organization is at best descriptive (Bess, 1984), while the study of international university organizations is practically non-existent. Given the nature and complexity of maintaining standards while exercising the greatest amount of flexibility to disseminate and advance knowledge, the study of international university organizations and their formation requires a theoretical model. Since institutional self-assessments are necessary, if not critical, to be studied at least on a national level, perhaps Pfeiffer's model may help illustrate a greater understanding of international university organizations. His approach begins with three perspectives:

1. "action seen as purposive, boundedly or intendedly rational, and prospective or goal directed;
2. action seen as externally constrained or situationally determined; and
3. action seen as being somewhat random and dependent on an emergent, unfolding process, with rationality in the second and third perspectives being constructed after the fact to make sense of behaviours that have already occurred" (Pfeiffer in Bess, 1984, p. 5).

Pfeiffer's model analyzes two levels, namely individuals, coalitions, or subunits on one level with the total organization as a whole on the other.

Higher education's struggle over its definition and purpose has been studied extensively and with great debate. It is believed that as long as higher education perpetuates the creation of communities of productive learners and

scholars, it will continue to influence and be influenced by societal expectations. This struggle is not only inevitable but necessary, for any institutionalized, organizational body that addresses societal issues, norms, and practices should be held to close political and social scrutiny. The fundamental question is how should this be done.

Challenges facing higher education

At present, the International Association of Universities (IAU) has classified higher education into two main categories, 1) universities and 2) other institutions of higher education. In the first category, the IAU identifies universities as degree-granting institutions at the university level in the country concerned but which may or may not bear the name "University". These may also include technical institutions, research institutes, as well as satellite campuses or schools which have some administrative affiliation with the home university (*e.g.* off-shore institutions) (*World List of Universities*, 1973-4, p. x; 1997, p. vi). In the second category, the IAU classifies all other institutions of higher education as those offering terminal degrees after three to four years of qualified academic study (qualified does not necessarily refer to accreditation, but rather to each country's individual recognition of the institution in question) (*ibid.,* 1997). But when it comes to course transferability from either of the two categories, it is often left to the home institution to recognize or reject academic credit from the host institution. Degree and certification/credential recognition are also highly contentious, not only because of study-to-work quota schemes, but because the academic coursework taught in one country may not necessarily meet the standards set in another. In addition, there exist a number of international education providers that essentially utilize the credibility of their inter-institutional partners to grant academic credit, even when such courses have not been approved by academic standard procedures within an institution or by accrediting agencies. Worse, in countries that do not have the necessary infrastructure, little is done to provide the technical transfer of knowledge and institutional resources to raise academic standards. In all, the issue of quality assurance in international education has several layers of complexity. Not only is quality assurance perceived differently from nation to nation, but the manner and context in which it is pursued suggests that a country's set of circumstances and needs must be taken into account. As Altbach warns,

> "If regulation and standardization were to be considered on a global scale, it is possible that they would hinder rather than promote academic scholarship." (Altbach, 2001)

Despite the obstacles, several of the main organizations listed below have attempted to tackle the issues of credit and degree transfer in relation to quality assurance in international education. In Europe, the European

Community Course Credit Transfer System (ECTS) has been designed to collect, process, and standardize educational exchanges, course transferability, and degree recognition among EU Member States. In addition, the European Network of National Information Centres (ENIC Network) is a body comprised of national authorities that develop policies and practices for the recognition of academic qualifications abroad. Under the auspices of the ENIC Network are the National Academic Recognition Information Centres (NARIC Network), which specifically advise on the intake of foreign student enrolments and on certain course requirements for overseas study. The NARIC Network extends well beyond the border of the European Union and includes Canada, Australia, and New Zealand. In the United States, the United States Network for Education Information (USNEI), established in 1996, provides key information about US education, foreign education systems, and international education mobility schemes approved under signed multinational treaties. However, unlike its European counterparts, most institutions in the United States continue to rely on the knowledge of university administrative officers, most of whom utilize reference books such as the *World Education Series*, which offer in-depth country guides on educational systems and, in some instances, provides recommendations for placement within the US education system. Other service providers and resources exist, but because these services and products are usually fee-generated, many institutions are reluctant to become active subscribers because of the expense, the complexity of the system, or of the various layers of bureaucracy. Some institutions are required in order to participate in exchange schemes such as SOCRATES/ERASMUS, or other government sponsored programs. However, the bulk of quality assurance as far as credit and degree transfer is largely overlooked, unchecked, or glossed over as too technical, too specific. A fail-safe system is yet to be found.

As far as quality assurance in internationalization practices in higher education is concerned, three organizations are worth noting. The International Quality Review Process (IQRP) serves as a peer-review to assess the internationalization efforts of institutions that request such an audit. Unlike accrediting organizations, the IQRP review does not provide a seal of approval. It is used strictly for an institution's self-assessment, and thus may be kept confidential. The Global Alliance for Transnational Education (GATE) acts more like an international accrediting organization and has recently begun to offer a Certification of Transnational Education that serves transnational education providers with a list of reviewed institutions that abide by a code of recommended practice. Both offer external reviews by a team of experts/specialists. The International Network for Quality Assurance Agencies in Higher Education (INQAAHE) views itself as the overarching umbrella organization for organizations like IQRP and GATE, universities that accredit other institutions, and institutions that want to improve or maintain

quality assurance practices in higher education. Also worth noting is the UNESCO Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications. The establishment of these and other organizations suggest that, because of the plethora of current international educational programs offered worldwide, quality assurance standards need to be put into place. Efforts by regional and national accrediting organizations are simply not enough or, at the very least, are not addressing specific issues concerning international educational exchange and practice. Placing the responsibility solely on institutions is also not to be trusted, and the instituting of ethical standards, codes of conduct, and "good practices" for membership entry into various organizations also is not effective. Clearly, quality assurance is needed to maintain if not to improve the standards of international educational programming, particularly if international university organizations are perceived to play a role in the trend toward mass higher education. The question of "method" continues to be debated.

The overarching problem with quality assurance organizations that actively focus on internationalization practices at present is that the institutions they serve are usually by invitation only. Many institutions that seek a self-assessment are generally using such quality assurance agencies to justify or promote their programs or initiatives, hoping to receive an internationally recognized seal of approval. Peer review is also often questioned because of concerns about cronyism. If quality assurance were to be instituted on a global level, it would also require substantial resources to carry out the assessment process. Not only would university officials need to prepare in advance for a peer-review/assessment – usually through their own internal auditing process – but they would also need to play host and accommodate each reviewer's needs, sometimes at great cost. Reviewers' travel expenses alone would be prohibitive. Many institutions already go through regular accreditation reviews from national and/or regional agencies and, given that individual curricular assessors review and assess programs in their field of study, institutions of higher education are already inundated with assessments. Furthermore, because there are so many educational systems with their own cultural twist and specific set of circumstances, it is and would be difficult to identify a team of international experts who are sensitive to the local culture and, at the same time, elastic to the issues regarding diverse pedagogical delivery, research practices, academic freedom/control, and study-to-work needs.

Although quality assurance should not be an excuse for the standardization of educational policy, it is necessary to reach some consensus on standards as the world moves closer towards mass higher education. Currently, those organizations that concentrate on quality assurance are striving toward this end, but the manner in which quality assurance is to be

conducted has yet to be embraced by accrediting agencies and institutions alike. At present, the World Trade Organization (WTO) through the General Agreement on Trade in Services (GATS) is considering a series of proposals that would lead to imposing regulatory standards on higher education and thus, on transnational education, with emphasis placed on codes of ethics and codes of standard practices in the marketization of higher education worldwide. This would lead to a travesty, with the view that it would undermine the accreditation process worldwide, and from the institutional perspective, would add layer-upon-layer of controls that would exhaust institutional resources, time, and energy that would be better served elsewhere. Furthermore, the underpinning assumptions made in a given system cannot and must not be superimposed in another. The situation and set of circumstances between educational systems vary greatly and are almost always incongruent. The prospect of losing any aspect of institutional autonomy at the expense of a global regulatory commission would lead to greater distrust and present further obstacles, let alone the prospect of a social strata of institutional types based on international recognition and repute.

Institutional program audits

Institutional leaders are usually accountable for the "trickle-down" effect of standards and ethics, from the instituting of policy to implementing "good" practice. Unfortunately, because international education is usually considered of secondary importance to home-based institutional programs and/or initiatives, rarely is there an opportunity or inclination to develop strategic plans let alone provide international program assessments at the institutional level. Staff turnover, unstable student enrolments, system incompatibilities from within and between home and host institutions (*i.e.* housing procurements, transcriptions, and other issues involving student records), financial costs, and program viability are usually the main issues of concern. In addition, because administrative program staff are often so busy dealing with individual student needs (*i.e.* academic advising, the emotional, social and cultural readiness of the student, orientation, and the codification and implementation of student conduct policies), little time is devoted to advocate program audits. If conducted in the appropriate manner, international program audits can boost morale and improve the efficiency of operations. They also can assist in getting peripheral administrative staff (*i.e.* bursar, financial aid officers, registrar, and academic staff) more involved in, if not more aware of, the internationalization of the campus and relevant curricula. However, if conducted as a probe for deficiencies, they can run the risk of demoralizing staff and, even worse, deter progress toward the objective of meeting student needs. It is hoped that whenever an international audit is being conducted, all parties are involved in the review process and – more important – are given a

voice to assist in the strategic planning and development of the international program or initiative in question.

Because of its multi-disciplinary nature, international education (particularly under the auspices of education in general) suffers from not being recognized as an academic discipline. This coupled with the limited time span in relation to study abroad and exchanges (*i.e.* summer study, semester and academic year) and other compounding issues identified above, there are limits as to how much can be done regarding quality assurance. It is recommended that – for these and other general types of international programs – instead of creating a global regulatory body for quality assurance in international education, continued usage of existing accrediting agencies and national regulatory commissions be utilized. Guidelines and external review teams are deemed essential particularly for institutional self-assessments, but the strengths in IQRP, GATE, and INQAAHE rest more in their advocacy for improved tools and expertise rather than the creation of a new regulatory body or agency. They would be better served to convince and lobby for more attention to be given to the review process in international education programming as well as to offer guidance in inter-institutional accountability. As for discipline-specific international programs, it is recommended that discipline-specific accrediting agencies be utilized to determine and assess program quality.

Gestalt revisited

Although there are fundamental ideologies that can serve as salient perspectives as to how and why international university organizations exist let alone prosper, these ideologies have a tendency to gloss over tangential and/or peripheral issues or concerns. It is clear, however, that in order to understand the "micro" social realities of a given organization, the "macro" perspective is of equal importance, since the identification of actors, determination of policy, and implementation of practice are crucial if not vital to the health and well-being of a given organization. Conceptualizing a "macro" perspective also requires a different way of thinking, and although there may be a myriad of perspectives given from one ideology – including historic to face-value approaches – the "generalized" study of the whole offers a form of lateral thinking necessary to understanding how international university organizations work. As in the case of Gestalt Theory, it may be possible to understand its social reality which gives it meaning and potential.

Max Wertheimer conceptualized Gestalt Theory, a non-empiristic approach to thinking and problem solving, in 1923 with the age-old maxim, "the whole is greater than the sum of its parts". One of many misconceptions of Gestalt Theory is that it is restricted to only psychological applications. This is not true. Wertheimer applied Gestalt to truth, ethics, and democracy and it

is no less applicable to the study of international university co-operation. Gestalt does not signal a way of thinking that manipulates or conforms – whether directly or indirectly – to a set of principles. Instead, Gestalt takes all perspectives into account, giving preference to none, and offers new insights that would otherwise go unnoticed. In applying Gestalt Theory to international university co-operation, emphasis is not placed on function or structure per se. It is the weight given to each inter-institutional partnership with the belief that mutual trust, good teamwork, and institutional growth are what make such partnerships last. In other words, the utility of Gestalt allows for universities and other institutions of higher education to be recognized not by their missions, but by the strengths of their partnerships cultivated over time. Gestalt so applied premises that:

1. International university co-operation cannot and should not be measured by placing a quantitative value on it because of its context-dependent and culture-specific nature;
2. International university co-operation should be embraced not by a set of standards or quality assurance guidelines, but as an inter-connected web of inter-institutional partnerships that give it new meaning and potential; and
3. International university co-operation cannot be adequately studied at the level of the nation state. Because of its presence around the world, it must be studied across cultures and compared.

One set of assumptions underlies the creation of an emerging social discipline, focusing on the theoretical study of international university co-operation. This would entail the establishment of international education as an academic field of study. Some scholars are willing to contend that this new and emerging discipline should focus on the globalization of education in general. Although there may be argument as to how globalization should be studied, particularly given that it is not well defined and is context-dependent, there are others who see the potential for the development of global studies. Global studies should not be confused with international studies, because their concentration rests more in the identification and possible amelioration of certain global ills. Whether globalization or global studies were ever to be considered as academic fields of study, it may be possible to develop a global approach to quality assurance in international education. Their credibility would rest on their disciplinary nature.

The other set of assumptions underlies the practical applications of international co-operation within the domain of higher education, particularly in international university co-operation. Because of human agency application and intervention, the institutionalization of both policy and practice are prone to constant re-interpretation and hence, are change-dependent. Professional associations may offer guidance and codes of best

practices, but ultimately it will be up to those individuals who forge and cultivate inter-institutional partnerships who are accountable for providing the leadership to maintain, monitor, and assess quality standards. Should a global regulatory commission be established under this latter set of assumptions, there is a greater likelihood of increased bureaucracy, cost-ineffectiveness, and more unrest at a time when international university organizations are already undergoing massive change. In some instances, it could undermine – even hinder – the development of international university co-operation in the future.

Regardless of assumptions, the utility of an approach such as Gestalt Theory allows scholars and practitioners alike to grasp the "macro" perspectives of international university co-operation as either phenomenon or process. By no means should it be considered the only qualitative approach to study international university co-operation, but one of many that can help differentiate external if not extraneous social variables that affect the institutionalization of policy and practice. Whatever the form, the study of international university co-operation demonstrates that the inter-personal contacts and cultivation of partnerships over time are what most people value.

Conditions of success

The glue that binds international university co-operation may not necessarily pertain to a given mission or goal, but how such partnerships are cultivated over time. Missions – as well as all types of organizational purposes – change over time. The relationships forged usually do not. The ongoing study referred to earlier in this paper has found that international university organizations are being established around the world at a rapid rate. Although some may purport that this has more to do with the massification of higher education, the fact that these organizations are filling gaps where traditional institutions have lagged suggest a trend toward mass higher education. The classification of international university co-operation into three types (international consortia, international alliances, and international agencies) has helped differentiate between types of organizational purpose. An analysis of these three types has also indicated that "spin-offs" are being created by external forces, some of which may be extraneous, which have influenced policy directives (usually at the inter-regional or national level). At the institutional level, institutional leadership has also made an impact in applying its own agenda in international issues, or at the very least, in allowing individual faculty to foster and forge inter-institutional collaboration. Inter-institutional partnerships may not necessarily be quantifiable in economic terms, even though the issues of financial accountability and sustainability are usually of paramount importance to an institution. From a practical standpoint, measuring quality

and/or creating standard benchmarks on an international level would be virtually impossible. However, it is suggested that organizations like IQRP, GATE, and INQAAHE have a role to play in offering guidance and expertise in quality assurance in international higher education. Instead of creating a global regulatory commission, it is recommended that more attention be given to encouraging institutional self-assessments, providing guidelines, and identifying successful models.

Gestalt Theory may be viewed as a paradigm that offers the greatest latitude to studying international university co-operation. Although other approaches are necessary to challenge its findings, the systematic collection of data usually has a tendency to offer myopic viewpoints of organizational behaviour from leadership to finances to management. As in the case of measuring quality assurance in international higher education, auditing measures may undermine inter-institutional partnerships, as the costs, availability of already strained resources and staff, and unexpected swings in market forces lead to untenable program sustainability. Gestalt Theory has been identified in this study a useful tool in studying international university co-operation without compromising standards or the personalized relationships formed in such partnerships. Hopefully, it may also begin the process of identifying salient research methodologies that will aid in the development of new fields of study such as that of globalization or even global studies.

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Corruption in Higher Education: Some Findings from the States of the Former Soviet Union

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Many observers have noted that corruption in higher education is widespread in the states of the former Soviet Union. Little empirical evidence is available, however. This article examines some theoretical approaches to the study of corruption, and presents empirical data on corruption in higher education from Russia and Azerbaijan, collected by the authors, in the light of these theoretical positions. While both states examined here have a common political heritage, higher education corruption appears to be of a diverging character in the two states. We suggest that social capital offers a helpful theory in understanding the varying levels of corruption encountered in the two states. Social capital theory also perhaps suggests that significant reductions in the extent of corruption will not be achieved by purely technical means (such as changes in organisational arrangements), but require a broader approach to achieve a strengthened civil society.

Introduction

Corruption is in every sense a global issue: in particular, it is one of major problems affecting the prospects of the developing and transitional countries. Of this group of states, those of the former Soviet Union are said by the World Bank's former Chief Economist to be among the most corrupt in the world (Stiglitz, 2002, p. 148). The organisation Transparency International lists 102 countries in order of the increasing prevalence of corruption. Azerbaijan is at number 95, with Russia at 71 *(The Economist,* 2003). Higher education in these states is affected by the general climate of corruption, but the processes of corruption and its impact in this sector are, it seems to us, distinctive and little studied.

This article presents some findings on corruption in higher education in Russia and Azerbaijan, drawing on fieldwork by the authors during 2001 and 2002. It is widely understood in these countries that corruption is endemic throughout society: the routine practice of "give and take" under communism has turned into often institutionalised, widespread corruption. In the Russian universities, it is said that the majority of students now graduate through the use, to a greater or lesser extent, of corrupt practices (Smolentseva, 2002). But while the existence of corruption in higher education is quite widely acknowledged, little is said about the processes involved. In this article, we examine how corruption currently operates in higher education in our chosen countries; how it has come about; and consider some of its implications.

Although we focus in this paper on states of the former Soviet Union, the problem of corruption is, we have noted, global. Corruption has recently been estimated by the African Union to cost Africa directly and indirectly some 25% of its GDP (*The Economist*, 2002). In Europe, the extent of corruption in the Central and Eastern European countries in the first wave of EU accession in 2004 is said to present serious problems for their successful integration into the EU (*Financial Times*, 2002). In response to this apparently mounting problem, the OECD has drawn up an anti-bribery convention, under which member states are asked to make foreign bribery illegal under domestic legislation (*Financial Times*, 2003).

Some theoretical approaches to corruption

The theoretical basis for the study of corruption is not well-developed, although the extent of the problem in the former Soviet Union has aroused the interests of some academics in those countries. Its definition, to start with, is

problematic. A simple definition of corruption is provided by Palmier (1983), being "the use of public office for private advantage" (p. 207). Corruption is also understood to be "a generic term that designates a range of practices such as bribery, patronage, nepotism, embezzlement … whereas the latter terms are used to denote particular types of transaction which together contribute to the spread of corruption in a social system, 'corruption' connotes an attribute of the system itself" (Ledeneva *et al.*, 2000).

From a Russian perspective, these writers propose that, in order to be regarded as corrupt, transactions between agents and clients should involve the collusion of an agent of the State. In this view, corruption involves three rather than two actors, the third actor being the State. Transactions become corrupt when an agent deviates from the rules prescribed for his or her conduct as a representative of the State (Ledeneva *et al.*, 2000). Hallak and Poisson (2002) present a broadly similar view. On these definitions, bribery (for example) taking place entirely within the private sector would be classed, presumably, as simply undesirable, or criminal, rather than as technically corrupt.

These strict definitions would probably not be accepted by the author of a recent paper on corruption in education, who proposes that it should be identified by reference to criteria such as "equality of access to educational opportunity" and "fairness in the distribution of educational curricula and materials" (Heyneman, 2002). This approach sets the standard so high that, arguably, almost any educational system could be classed as to some extent corrupt. Heyneman, we suggest, confuses issues of equity and fairness with those of corruption: we contend that an education system can be inequitable but uncorrupt. For us, it makes little analytical sense to so widen the definition of corruption as to include structural or resourcing decisions, reached through due process, even if these decisions have outcomes which appear undesirable to some observers.

Similarly, we find unconvincing the proposition that there exists a continuum from "honest" to "corrupt" behaviour. Such a continuum implies a "grey area". The example given at a recent conference on corruption in education of such a "grey area" was the practice of some US universities of giving the children of alumni preference in admission procedures (Hallak and Poisson, 2002). This example simply adds to our doubts about the "continuum" notion: one may judge this to be an undesirable way of managing university admissions, but a stated institutional policy, presumably adopted with the intention of in some sense benefiting the institution as a whole, cannot, we suggest, sensibly be classed as corrupt.

Foster draws a useful distinction between petty corruption ("sleaze"), which does not endanger the state and which is capable of being dealt with by

the political process, and serious systemic or institutional political corruption which "undermines a society's health, so making it recognizably diseased to the point that its ordinary politics cannot do anything about it" (Foster, 2001). This follows the argument of Ledeneva *et al.* in distinguishing between the actions of corrupt individuals and a system which is itself corrupt.

In which category should we place corruption in higher education – petty or systemic? Is it petty, on the grounds that university teachers pocketing small sums in return for the award of higher examination marks will hardly bring a nation to its knees? We suggest that the "petty" classification would be correct where a particular case of corruption was discovered against a general picture of probity, and where effective disciplinary action resulted once the case was brought to light. In the cases of our study, however, university corruption is a particular facet of systemic corruption, being part of a wider culture of corruption.

Issues in researching corruption in higher education

Researching corruption in higher education is in principle no different from many other varieties of qualitative research. As the researcher cannot usually observe the process actually taking place, he or she is largely dependent on the accounts of informants, with little or no documentary or other evidence to support such data. The researcher must therefore subject these data to critical scrutiny and seek triangulation from other sources where possible. Whether the relative thinness of the data in this case makes our conclusions more open to doubt than in cases where the data appear to be "harder" or more comprehensive remains a debateable issue in research methodology (Atkinson and Hammersley, 1998).

Problems to note in data collection in this type of research include the informant attempting, for a variety of motives, deliberately to mislead the researcher; the informant inadvertently misleading the researcher, through either misunderstanding the question, or misunderstanding the nature of the situation being researched; or the informant(s) used being unrepresentative of the population in question. We have tried to guard against these pitfalls in our studies, and are reasonably confident that we have succeeded. Our informants were clear in their own minds about the distinction between corrupt and non-corrupt practices; and they believed that those practising corruption were also clear about the distinction.

We have supported our findings with corroborating accounts of corruption from individuals in the countries concerned who are not themselves involved in the corrupt transactions but who are well-placed to know what is going on.

Unlike some qualitative studies, however, the present study could be replicated without undue difficulties if other researchers chose to do so. We are confident that any broadly representative sample drawn from our areas of study would yield similar findings. We therefore consider that our findings are both valid and reliable.

A further problem needs to be noted when working in this field. Our own experiences in our region of study suggest that even the most carefully-phrased enquiry to university members of staff about the existence of corruption in their institution can be taken as a personal insult. This naturally limits the scope of data collection. Students and former university staff members have no difficulty generally in discussing the matter, however.

Some general considerations of corruption in higher education

Corruption in higher education has some unusual characteristics. In many other areas where corruption occurs, it is in the interests of both parties to prevent knowledge of the corrupt arrangement becoming more widely known. If evidence of the corrupt awarding of a contract, for example, became public knowledge, then unsuccessful bidders might challenge the outcome. There may often be a suspicion that the process was corrupt, but without evidence, little can usually be done. Similarly, those involved on both sides of the transaction in bribery for various sorts of queue-jumping (to gain preferential access to public housing, for example) normally aim to keep matters quiet, to prevent complaints from those passed over. Moreover, there is an incentive on the bribe-givers to maintain secrecy in order to avoid competitive bidding, thus raising the level of bribe needed to ensure the desired outcome.

The routinization of corruption in higher education in our case studies means that secrecy is out of the question. The bribes paid are in many ways more in the nature of fees – they are sometimes referred to locally as "informal fees" – because a majority of the relevant population, we believe, has to pay them, and rates are largely predetermined. This gives the corruption which we studied in higher education a distinctive, semi-public character. We consider, though, that the process is still properly classed as corruption, as it remains a means of gaining the academic award in question without demonstrating the appropriate level of attainment. If "informal fee"-payers ran a risk of failure on academic grounds, then the term would indeed be accurate.

Awards in higher education are often considered as positional goods – they have a perceived value because they demonstrate a level of achievement by an individual *in relation to others*, validated by the awarding institution. (Obviously, they also show an absolute level of attainment.) In most countries, the State itself is involved, directly or indirectly, in this validation process,

adding its authority to that of the institution. Without this validation, and without the process being generally accepted as appropriate, the awards would lose their positional value. Corruption undermines, in particular, the positional nature of the award, as a wealthier bribe-giver can readily enhance his or her relative position. A reasonable hypothesis might therefore be that once it became generally known that a particular institution corruptly made awards, then those awards would become largely worthless (or at least fall to the price of mail-order awards from "degree mills"), potential buyers would lose interest, and the process would come to a natural halt.

But this does not happen in the countries of our study, nor in other countries with widespread university corruption. The fact of corruption in higher education is well known, inside and outside the country, by individual local students and major international organisations. Corruption nevertheless proceeds apace, despite the fact that what is being bought is regarded by many, at home and abroad, as largely worthless.

We think that two factors explain this apparent contradiction, both relating to the role of the State. Firstly, if, despite all evidence to the contrary, the State continues to champion the academic integrity of corrupt institutions, as it does in Russia (Filippov, 2001) and Azerbaijan (Mustafayev, 2002), then in a society where state institutions are dominant and civil society and democratic values weak, people will tend to accept the State's view (Schopflin, 2000, p. 173). With relatively few people in the former Soviet Union having experience of higher education, and with histories of centuries of authoritarian state control, there is a tendency to accept official views on matters such as academic standards (which is not to say that most people trust the State, in the sense of it protecting their interests).

Secondly, the State in its various guises (many apparently private firms are effectively state-controlled) is the main employer of graduates in countries such as Azerbaijan, though this is no longer so in Russia (Bulgakova, 2003). This means that for most students in states such as Azerbaijan, their degree awarding body and their future employer are essentially the same. Private employers, on the other hand, are said generally not to regard university awards as serious indicators of achievement, and set their own tests for job applicants. It will be interesting to see if the growing influence of the private sector as the main employer of graduates in Russia has an impact on corruption in the universities.

Introductory notes on higher education in Russia and Azerbaijan

A few words of general background on Azerbaijan may be helpful. In contrast with Russia's population of some 150 million, Azerbaijan is a small state of eight million people in the Caucasus region, bordering the Caspian

Sea. It declared its independence from the Soviet Union in 1991, and has since then been ruled by President Heydar Aliev.* Although there is a legislature and an executive branch of Government under a Council of Ministers, all key decisions are taken by the President and his *Apparat*. There is a very evident personality cult surrounding the President.

Azerbaijan's higher education system is extremely inefficient. The structure of the system remains essentially unchanged since Soviet times. There are numerous institutions specialised on industrial or occupational lines, some of which are under the control of the Ministry for the relevant sector. The institutions themselves are internally fragmented into relatively small *kafedra* (chairs), grouped into faculties. Central institutional management is traditionally weak.

The Russian higher education system has expanded considerably since the dissolution of the Soviet Union at the end of 1991, with the number of state higher education institutions more than doubling to reach 884 in 2001 (*Vuzovskie Vesti*, 2002). The number of students has also doubled. At present, about 52% of students enrolled in state higher education institutions pay tuition fees. Alongside the expansion of the state system of higher education, a large number of private universities have also been established. However, as in Azerbaijan, the traditional internal university structures of chairs and faculties have been preserved.

The basis of corruption in higher education in Russia and Azerbaijan

This article presents some case studies of corruption in university settings in Russia and Azerbaijan. Our discussion focuses on the most widespread form of corruption, bribery. A wider question, beyond our remit here, is whether there are underlying cultural causes in play which explain why the specific factors we set out here have led so swiftly to widespread corruption.

According to various sources, Russian citizens pay annually up to $520 million in bribes for places in higher education institutions (Kostikov, 2002). This forms part of the "shadow economy" in higher education, which has been estimated at being worth up to $5 billion annually (although this seems a high estimate), mostly in the form of perfectly legal payments for private tuition or for various preparatory classes to help students enter higher education (Milkus, 2002). We discuss possible motives for such payments below. In order to put these figures in perspective, one needs to compare them with the 2002 budget for all levels of education in Russia, which was approximately $2.5 billion (Sergeev, 2002). However, apart from brief

* Editor's note : since this article was written, Mr. Heydar Aliev has been replaced by his son Ilham, as President of Azerbaijan; he died on 12 December 2003.

references in the general press and in educational literature, the actual process of corruption in higher education receives little attention in Russia.

We begin by analysing a number of causes of corruption and ask why it has worsened during the 1990s, as it appears to have done. These factors in general apply, we think, to the other states of the former Soviet Union.

Low salaries. Undoubtedly, low salary levels and constant payment arrears have affected the morale of academics and provided fertile ground for bribery. Since the early 1990s, salaries of university academics in Russia have dropped dramatically, falling to 70% of those undertaking comparable jobs in industry (Chapman, 2001, p. 50). Similarly, in Azerbaijan, resources available to higher education have declined greatly: salaries have been severely eroded by inflation and buildings and facilities are run-down. Morale is correspondingly low (World Bank, 1999).

One can in effect hear people say in Russia: it is impossible to live honestly on such a low salary – this makes academics ask for and accept bribes. Corrupt practices are justified by this argument, not only by academics but also sometimes by students. Many in higher education see it as "forced corruption", when both those who give bribes and those who take them are forced to engage in bribery because life, it is asserted, would be impossible unless rules were broken. Thus, by setting aside some shaky logic, bribery in Russian higher education comes to be seen as "shadowy" but morally justified. By contrast, in Azerbaijan, there appears to be little sense apparent of moral justification as a basis for corruption: students tend to see themselves more as straightforward victims of extortion.

Poor prospects after retirement. The retirement prospects for academics are uncertain financially, giving older staff concerns for their welfare. A recent survey claimed that less than 1% of Russians considered the existing pension levels sufficient for survival (Statfakt, 2002). Poor prospects after retirement are, therefore, seen by some as a reason to save money for retirement through acceptance of bribes. And these older, more senior professors are those best placed to extract the maximum amount in bribes from students.

The legacy of the Soviet-type higher education system. The system of higher education operated in Russia and Azerbaijan itself creates multiple opportunities for corruption, notably through the use of oral entrance examinations and frequent oral examinations throughout a student's career. Strong competition for "free" university places, allocated according to academic achievement, encourages applicants and their parents to hire private tutors: about 30% of Russian school leavers do so (Bondarev, 2002). This can slip into bribery, as the most sought-after tutors are those working in the higher education institutions to which school-leavers wish to apply, or (even more desirably) are sitting on the entrance examination committees in the

chosen institutions. Since 2001, however, the Russian Federal Ministry of Education has been reforming university entry procedures with the aim of removing individual university entrance examinations. A similar approach is planned in Azerbaijan. It will be interesting to monitor the effectiveness of these changes: Smolentseva (2002), for one, has her doubts.

Substituting for state funding. Between 1992 and 1998, Russian real GDP was declining at an annual rate of 5.8% and expenditure on higher education fell at a staggering annual rate of 19.6% (Kniazev, 2002, p. 111). In Azerbaijan, public spending on education by 1997 was 34% of the level of 1992 (World Bank, 1999). In such difficult financial situations, in Russia the Federal Government required that state funds should be used only to cover "protected" financial items, namely academic salaries and student stipends. This meant that no funds were allocated to institutions to meet the costs of maintenance, utilities and educational materials. This lack of funding for even the most basic provision led some academics to ask students for money to provide necessities for the university. This is perhaps an example of "informal fees" in the true sense, rather than corruption, but its unregulated nature means that it is not possible to be sure whether or not corruption was taking place.

"Mentality". Corruption is not only caused by financial and structural factors in the higher education systems of the former Soviet republics: it is also linked to the Soviet-period *mentalitet*. *Blat* practices (accepted levels of petty corruption) of the Soviet period taught Russian citizens to protect their networks of family and friends, not to take personal responsibilities, but alternately to rely on, or blame, the Government. In the Soviet era, higher education was solely provided by the central Government, handed down from above. University staff and students had very few rights, and no sense of "ownership". As a result, "beating the system" became an accepted end in itself. This is still broadly the picture in Russia and Azerbaijan (naturally, there are exceptions), where ministries and their agencies still prescribe in great detail what universities must teach. This limits freedom of thought and action, and discourages personal responsibility and initiative. We argue later that the notion of social capital offers a useful way of analysing this situation.

Attitudes towards corruption in Russia and Azerbaijan

Some of our informants in Azerbaijan thought, or perhaps hoped, that they were living through a transitional phase, and that the country would "move on" and become more "normal" and less corrupt. One informant thought that the corruption problem resulted from the "vacuum in values" of post-communist times, when the dominant ideology had not been replaced by anything substantial. Our informants were bitter and frustrated by what they saw as their enforced positions as bribe-givers.

There was a suggestion that at least some of the younger academic staff did not require bribes – it seemed that the older staff, who had lost their Soviet-era privileges and standard of living, were the ones who sought to extract the maximum in bribes. Their seniority also meant that they were in the best position to do so: this is the "pension fund" argument we noted earlier. Whether the younger staff will retain their integrity with the passage of time remains to be seen.

Corruption in the universities in Azerbaijan is almost universal: one of our informants remarked ironically that it would be "abnormal" if a student did not engage in bribery at some point in her or his studies. The process operates by older students passing on to the class below them information about the going rates for bribes to pass examinations, differentiated by subject, grade sought, and teacher. The more prestigious faculties – law, for example – charge higher rates. Figures of US$10 up to US$100 for a single examination were quoted, making the cost in bribes of a first degree of the order of several thousand dollars. For comparison, in 2001 the monthly salary of senior professor was said to be equivalent to about US$100 per month, with other academic staff earning perhaps US$60. Most staff supplement their incomes from second or third jobs, inside or outside higher education, in addition to income from bribes.

In Russia, our interviewees also despised bribery, but at the same time expressed the view that, perhaps, in the present situation, corrupt practices in higher education were inevitable. This mirrors the results of a more detailed survey of attitudes of Russian citizens (including students of Moscow universities) to corruption, conducted by Spiridonov (2000). The survey results showed that bribery was not considered "straightforwardly as a social evil" and was regarded as being "a result of successful but slightly dubious activity". The bribe-taker was seen as a somewhat negative figure, but nevertheless "an absolutely normal element of real life" (pp. 244/245).

When asked about the most important problems facing them, Russian academics and students normally referred to low salaries, low stipends, or high levels of crime, but few mentioned corruption and bribery. This is perhaps not surprising, as the survey suggests that half of all Russians consider bribery to be a necessity of life and thus to be tolerated. Russian citizens openly express their concern about "high-level" corruption, while ignoring routine *blat* and "give-and-take" practices.

In Russia, we describe three cases of corrupt practices in three different Russian universities. University "A" is a large "classical" university (that is, a traditional multi-faculty, humanities and sciences institution) in one of the regional centres of Russia. University "B" is a large, relatively new university in a major city, teaching the social sciences and the humanities. University "C" is a medium-sized institute in a large city, teaching social sciences, including

management and law. In Azerbaijan, discussions took place with a group of students from the three largest universities in the capital, Baku.

Examples of corruption can be numerous and we present here what we believe to be the most common cases. Are citizens (in our case university students), using Miller's categorisations, "victims", "the source of corruption", or "accomplices"? (Miller *et al.*, 2000). Are students put under pressure by academics, abusing their power, or do students offer bribes voluntarily? Are students happy to pay and academics happy to accept? These questions require more detailed study and survey; nevertheless, our examples here indicate that students may act in all three domains.

Case 1: Students as victims. One of the senior professors and a head of a chair *(kafedra)* at Russian University "A" pressured several students for bribes to allow them to re-sit an examination. One student consulted the Dean of the Faculty and the students' union and was told that it was not necessary to pay for registration for re-sits. However, the student in an interview with one of the authors said that he was scared of his professor; the Dean was also said to be frightened of him. As a result, the student paid $150 in two instalments directly to the professor. The student told us that part of the money was used for purchasing some equipment for the professor's office. However, when the student discovered that several other students were being asked for money by the same professor, he was emboldened to report the case to the police.

Eventually, the professor was arrested by the police while another student was handing him money, but despite this, the professor continued working at the University. It took a letter published in a newspaper about the case before the professor was dismissed and prosecuted. During the investigation, it was revealed that the professor had taken more than $2.000 from students, but the evidence that the money was for personal gain was found to be inconclusive, and the professor was not convicted.

Does the apparent reluctance on the part of the Faculty and University administrators to act against the professor, even though the case was strong enough to lead to an official prosecution, show that they and other staff members felt vulnerable in case their own bribe-asking and taking was revealed? In court, the professor argued that his action was common practice across the University, and that he should not be singled out for blame.

Nevertheless, the fact that action of some kind was eventually taken by the University authorities and the police is instructive. It seems to indicate the uneasy and unstable compromise current in Russia between probity and corruption. It appears to be quite different from the situation in Azerbaijan, where no case of a member of university staff being disciplined in any way for corrupt behaviour has been discovered by the authors.

Case 2: Students as the source of corruption. One of the authors overheard a conversation in which one Russian university academic remarked that "the summer is harvest time". It was clear that the academic was referring to the summer university entrance examinations and to the large amounts of unofficial income he expected to have because of increasing demand for private tuition and offers of bribes. However, in order to give a bribe, it is necessary to know how much is to be given and to whom. Such information appears to be easily obtainable through informal contacts. Bribe-takers can also convey their expectations by hints or by comments about the special efforts they are making. Bribe-givers in their turn can convey their desire to offer a bribe by hints or even directly.

In Azerbaijan, a much smaller society with strong kinship networks, a student with what are described as "connections" (membership of the extended family of one of the academic staff involved, for example) would normally act as a go-between, so that money did not pass directly from students to their teacher, allowing "deniability" on both sides.

As noted earlier, it is common practice now in both countries to hire a private tutor to prepare for entering university. The cost of private classes varies between $10 to $40 per hour, depending on factors such as the subject, the experience of tutors, and their professionalism and institutional affiliation (Smolentseva, 2000). Perhaps most Russian and Azeri academics are involved in offering private tuition for university applicants.

Parents of an applicant to one of the most prestigious programmes at University "B" in Russia wished to engage as a private tutor an academic from that University. But they also learnt that the tutor they had in mind would be sitting on the examination committee during the entrance examination period, deciding on who was to be offered a place at the University. The cost of private classes was about $30 per hour and classes took place at least three times a week. The tutor saw this as a good opportunity to supplement substantially his official income. The tutor did not, however, promise any special assistance at the entrance examinations after the private classes were over. However, the parents of the applicant were determined to offer the tutor a bribe before the entrance examination took place – an offer that the tutor declined.

This case demonstrates that sometimes bribe-givers themselves initiate (or try to initiate) corrupt transactions, based in this instance on faulty assumptions about the motives of others.

Case 3: Students and academics as accomplices. Most interviewees in Russia and Azerbaijan made reference to "price-lists" that are in circulation, in which rates for different subjects and different examination marks are given – the higher the charge, the better the mark. In this third case, academics do not openly ask that students pay bribes, but students know that, without much

effort, they can receive good marks by giving a bribe. Unsurprisingly, students who had not done much work, but wanted to receive a good mark, paid bribes.

At University "C" in Russia, the mechanism was simple. The rate for an "excellent" mark for a single examination was $60 and for a "good" mark $50. At the actual examination, those wishing to receive "excellent" and "good" marks, put bank notes inside their examination books and received marks according to the rate paid. In this case, the academic and students can be seen, arguably, as accomplices, as the academic neither explicitly demanded bribes, nor deliberately marked students' work as unsatisfactory, but since students were happy to give bribes to avoid studying hard, the academic was happy to accept them.

As we have seen, in Azerbaijan a system of go-betweens operates. Here, idle students also used the system to obtain good marks. But able, hard-working students, we were told, had to pay as well, unless they are prepared to settle for a merely average grade. The notion of academics and students acting as accomplices therefore works less well there.

We provisionally conclude that corruption in higher education in both Russia and Azerbaijan has the same roots, and is very similar in character. In Russia, however, the system of corruption is not quite so entrenched and systematic as in Azerbaijan. The fact that in Russia it seems more open to challenge is a finding in line, we note, with Transparency International's corruption scores for the two countries. We shall now discuss some of the possible reasons for this.

Some tentative conclusions on corruption in higher education

Dahrendorf, writing of Central and Eastern Europe, sees "venture social capitalists" as the essential generators of institutional change in post-communist universities – people with the vision and self-confidence to challenge existing ways of doing things. Such individuals, while rare enough in Central and Eastern Europe (Dahrendorf, 2000, p. 73), are possibly even rarer in the former Soviet republics. But the idea of social capital and the way it is created may go some way to explaining the extent of corruption and the relative lack of transformative progress in many post-Soviet states. Social capital is defined here as social networks, the reciprocities that arise from them, particularly the development of trust, and the application of these assets in achieving mutual objectives (Schuller, Baron *et al*., 2000).

As Putnam, one of the principal theorists of social capital, observed in the light of his study of Italian regional government:

> "For political stability, for government effectiveness, and even for economic progress, social capital may be even more important than physical or human capital. Many of the former Communist societies had

> weak civic traditions before the advent of Communism, and totalitarian rule abused even that limited stock of social capital. Without norms of reciprocity and networks of civic engagement, the Hobbesian outcome of the Mezzogiorno – amoral familism, clientelism, lawlessness, ineffective government, and economic stagnation – seems likelier than successful democratization and economic development." (Putnam, 1993, p. 183)

This perspective illuminates starkly the current situation in the post-Soviet states. As in Italy's Mezzogiorno, recourse to close networks of kin and of friends of proven reliability was common in all the communist states, and it remains so in present-day Russia and Azerbaijan. We suggest that this lack of trust in any wider grouping or in official structures (thinking back to our Russian student's reluctance to report attempted extortion to the police) is particularly damaging in higher education, where intellectual openness, honesty and risk-taking are fundamental to university work as it is generally understood.

In Russian universities, the low stock of social capital is reflected in the cynicism reported among academic staff, and their unwillingness to work together to achieve shared objectives (Sandgren, 2002). It seems likely that these dysfunctions are related to a more extensive lack of trust in public institutions and in those managing them. In Azerbaijan, where the democratic ethos is weaker than in Russia – there are at least vocal opposition groups in Russia – cynicism is even more deeply ingrained. Social capital theory suggests that this lack of trust constrains individuals' scope for effective engagement in institutional change. Social capital – networks, information-sharing – needs to be created to allow such change to take place. We observe that our findings on relative attitudes to corruption seem consistent with the conclusion that levels of social capital are higher in Russia than in Azerbaijan.

Recourse to corruption may be seen, we propose, as a response to a situation where social capital is largely absent, and the likelihood of change for the better, in which the individual concerned plays an active part, is accordingly low. Where individual struggle appears to be the norm, and where the state is seen as arbitrary and venal, corruption may be considered by the individual to be a rational response. Sennett's observations about the breakdown of trust in America's "new capitalism", involving suspicion of others and disbelief in the possibility of any external help (Sennett, 1998, p. 141), could apply in different ways to the dysfunctionalities of the former Soviet Union. For the characters in corporate America studied by Sennett, corruption was not a realistic, socially acceptable, response. But for many university teachers in states of the former Soviet Union, it is.

What will be the longer-term impact of corruption on the universities in states such as Russia and Azerbaijan? Can a university develop excellent teaching and research while also allowing its staff to take bribes from their

students? If no reliance can be placed on its assessment procedures, the standard of its teaching and learning, at least, must remain at best an unknown quantity to outsiders. It seems to us that the internal tensions created by systematic bribe-taking must make most aspects of a university's development problematic. It is particularly hard to see how effective central managements, systematically pursuing agreed policies, can be expected to develop.

What should be done? The way forward, we suggest, cannot be to attempt technical fixes for corruption: some new procedures or checks, for example, or even "a complete overhaul of the administration" (Hallak and Poisson, 2002, p. 26). Certainly, the solution cannot be to graft Western methods, however effective they may be in supporting probity in their home settings, onto otherwise unreformed political and higher education structures – for example by adopting US-style Boards of Trustees, as advocated by Heyneman (2002). This would simply be to create profitable new sites of corruption. Instead, the response should be to focus on the broader political and social context, on the strengthening of civil society through the creation of social capital, inside but also outside higher education. Without achieving this, attempts to confront, or "root out" the problem will, we suspect, get nowhere. The solution to the problem of corruption in the university lies beyond the campus.

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Widening Access to Higher Education in the UK: Questioning the Geographic Approach

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This paper examines the development of policies designed to widen access to higher education policy in the United Kingdom. These policies have evolved in the context of the devolution of political authority to the Scottish Parliament and Assemblies in Wales and Northern Ireland, which has resulted in some policy variation. The paper examines the "post-code premium" paid by the funding authorities to universities based on the students from poorer areas. By using Northern Ireland data the paper demonstrates the major problems to this approach arising from the "ecological fallacy". The paper concludes by expressing surprise that policy developed with little apparent awareness of these problems.

Introduction

This paper is designed to examine the efficacy of a key element of the policy instruments used in the United Kingdom to "widen access" to higher education. In general, widening access and a concern with the social composition of higher education entrants has been a policy issue especially in the United Kingdom, Ireland, Australia, Germany and the United States. A concern with broadening the social base of higher education to include currently underrepresented groups arises through concerns about social inclusion, fairness and social mobility (Bowen and Bok, 1998). These concerns complement the rationale for increasing participation in higher education generally which is justified by the growth of the "knowledge economy" globalisation and the need to compete effectively to sustain future economic development.

Specifically, this paper is concerned with that part of the UK's widening access policy which sees institutions funded by the three higher education funding councils in Britain (for England, Wales and Scotland) being given a funding premium based on a geographical measure of students' origins – "low participation neighbourhoods" While the use of this "post-code" approach originated with this funding mechanism, some universities have also used a similar geographical approach to recruiting students to widening access schemes and we consider some of the implications of this approach. The value of the premium is sufficiently high that it requires the underlying methodology for its distribution to be robust if policy outcomes are able to match expectations and the scale of resource inputs.

This paper is divided into a number of sections. We start by briefly outlining how widening access policy has developed in the United Kingdom and we do so in the context of devolution – the granting of increased political authority to different parts of the United Kingdom. Integral to the general issue of widening access has been the issue of student finance including both tuition fees and maintenance and we outline key developments in this policy area. We then consider the specific issue of whether a geographical approach as currently used as a policy lever to promote widening access is a robust method for achieving the objectives of the policy, by examining empirical evidence. Here we will also consider alternative methodologies for delivering the premium. Finally, we place this policy in the general context of geographical approaches to delivering social policy.

Widening access policy – General context

During much of the 1980s and up to 1997, widening access to higher education in the United Kingdom, from a policy perspective, was concerned with increasing opportunities for students to study part-time and to increasing provision for mature students (defined in the United Kingdom as being aged 21 and over). The *Dearing Report* (1997), however, focussed, *inter alia*, on the social class origins of students – pointing out that although participation from the lowest social classes had increased since the mid-1960s the rate of increase had been faster amongst better-off groups so that the representation of the lower social classes amongst full-time undergraduate entrants had altered little from the patterns found in the mid-1960s. The Dearing Report recommended that free higher education should end and be replaced by means tested tuition fees. Students would make a contribution to the cost of their education because of the clear earnings benefits accruing to graduates on average compared to non-graduates ("the graduate premium"). The *Dearing Report*, however, recommended that the means tested maintenance grant be retained as a mechanism which would encourage students from poorer backgrounds to enter higher education. The newly elected Labour government, decided to implement the recommendation in relation to fees by introducing means tested fees at a flat rate of £1000 *per annum* (up-rated in line with inflation) for all courses. However, it was also decided to scrap the maintenance grant in favour of a student loan. The loan is repayable after graduation once earnings reach £10000 *per annum*. The Labour administration made it clear that the Dearing evidence was unacceptable and that widening access should become focussed on securing rising participation of the underrepresented lower social classes.

In recognition of this emerging policy priority, the then Committee of Vice Chancellors and Principals (CVCP) reported on existing widening access activities targeted on lower socio-economic groups in the university sector throughout the United Kingdom. The report of that study (CVCP, 1998) demonstrated that while there was evidence of some good practice the scale of activities was quite small. Moreover, the schemes operating were not all clearly focused on lower socio-economic groups and few operated with sufficient monitoring to enable effectiveness to be demonstrated. This report was up-dated in 2002 with a report back on the initial case studies and with 14 new case studies (Universities UK, 2002). The evidence suggested that considerably more widening access activity being undertaken by a wider range of institutions.

Devolution, access and student finance

Devolution in the United Kingdom took place, following positive referendum results in Wales and Scotland, during 1998. Devolution in Northern Ireland took a slightly different course. The securing of

the1998 multi-party Belfast Agreement was followed by endorsement by referendum in the same year but political difficulties resulted in delays in the Executive taking office and subsequent periods of suspension of the institutions. In Scotland and Wales, devolution powers varied quite significantly. The Scottish Parliament has full legislative powers in devolved areas while the Welsh Assembly does not. Both initial administrations in Edinburgh and Cardiff were coalitions between Labour and the Liberal Democrats.

The formation of the Scottish coalition was particularly significant from the perspective of this paper, as part of the negotiations between the two parties resulted in an independent review of student finance. The *Cubie Report* (1999) resulted in a series of recommendations subsequently largely implemented by the Scottish Executive. Significantly, the new financial regime for undergraduate Scots studying in Scotland does not involve up-front tuition fees but rather a flat rate Graduate Endowment (of £2000) payable once graduate income reaches £10000. (The *Cubie Report* had argued for a much higher threshold). The Endowment is used to fund means tested bursaries for poorer students. Certain courses, such as sub-degree programmes are exempt from the endowment on the basis that there was no identifiable "graduate premium for those who had studied at this level". Interestingly, while English, Welsh and Northern Irish undergraduates are unable to access this funding scheme, EU students are able to do so. In 2002/03 there was a 40% increase in students from the Republic of Ireland entering Scottish universities (UCAS, 2002).

In Northern Ireland, the Assembly's Statutory Committee for Employment and Learning recommended the adoption of the Scottish system coupled with an increase of places designed to enable most of those students forced to leave Northern Ireland because of a shortage of places, to be accommodated locally. The local government department, the Department for Employment and Learning, however, preferred to follow London in relation to fees but instigated an innovatory student maintenance package including bursaries, (Osborne, 2002). Also during 2002, Wales introduced bursaries following the recommendations of the *Rees Report* (2002).

In January 2003 the UK government published a higher education White Paper, which, although under devolution mainly only applies to England has, in effect, also set the agenda for the devolved regions (DfEs, 2003a). At its heart is the proposal that universities can charge top-up fees of up to £3 000. The additional fees, above the existing level of £1 075, are not to be means-tested. Fees and maintenance loans will be repaid upon graduation when income reaches £15 000 pa. In return, however, universities will only be able to charge these fees if they significantly widen access to students from disadvantaged backgrounds. It is envisaged that a regulator will be appointed to monitor and certify progress (DfES, 2003b). Since the top-up fees represent the way in

which additional funds can be channelled to universities, the devolved regions are now confronted with deciding how to respond to the White Paper proposals in terms of whether and how additional funding can be channelled to their universities and whether top-up fees are likely to have a negative effect on widening access as many critics assert (Editorial, *THES*, 14/3/03). English based commentators underestimate the desire to break parity with policy in England generally within the devolved areas most notably in relation to tuition fees and student maintenance (Watson, 1993). After all if policy divergence does not occur, why have devolution?

Widening access policy – Specific measures

At this juncture, it is appropriate to consider how the key funding bodies in the United Kingdom have promoted widening access. Although there are differences in detail, essentially, there have been a discrete number of funding initiatives.

The first of these relate to the funding of particular projects run by individual or groups of institutions working with particular schools and or individuals drawn from the relevant social background. These special projects vary in scale and purpose. Some are directly geared to securing entry to the institution while others are more concerned with the general raising of aspirations. One of the major issues relates to how pupils can be recruited. In some instances the individuals are chosen by reference to the characteristics and outputs of schools (proportions entitled to free school meals, examination outputs, etc.) while other schemes rely on the individual characteristics of pupils. Some schemes, however, rely on the identification of individuals on the basis of the areas where they live. Hence, by identifying areas which have a high concentration of those experiencing social disadvantage and then recruiting pupils from these areas it is assumed that the individuals will have the characteristics of those areas. In one university where this was done it was acknowledged that many participants in the programme were not themselves from disadvantaged backgrounds (Universities UK, 2002). The problems with this geographical approach, which is the main concern of this paper, are now analysed below.

The "post-code premium"

A second policy lever used by the Funding Councils is the awarding of a funding premium to those institutions which attract students from socially disadvantaged backgrounds. This, it is emphasised, is not a recruitment incentive but a recognition that students who come from poorer backgrounds and whose families have little or no experience of higher education, are more likely to need support and guidance in their studies if difficulties and drop-out

is to be avoided. The premium was originally set at 5% of the amount by which institutions are funded for each full-time student. The identification of the students for the payment of the premium, however, is based on the identification of "low participation neighbourhoods". These are derived by the clustering of wards on a geodemographic basis – that is of areas which are broadly similar in socio-economic terms (housing, labour market characteristics, etc.). This process resulted in 160 "clusters" for Britain and 31 for Northern Ireland. These clusters are then ranked in terms of whether the areas are above or below the average participation rate for the United Kingdom. Students' home postcodes are then related to these clusters. These areas are then examined in terms of the rates of participation in higher education compared with the UK national average. Where these local participation rates are less than two-thirds of the average they are designated as "low participation neighbourhoods". This is the methodology, which underlies the construction of UK national, regional and institutional performance indicators by the Higher Education Funding Council for England (HEFCE, 1998, 1999, 2001 and 2002). These areas then become the basis on which the widening access premium is paid to institutions. Simply, an institution is allocated the premium on the basis of the number of individual students that it enrols from these areas. However, as the premium is not a recruitment incentive and the geodemographic clusters are a commercial product, institutions do not actually know the precise geography of these "low participation neighbourhoods". Institutions which have a highly localised pattern of recruitment may well have some idea of where the "low participation neighbourhoods" in their immediate vicinity are but most institutions in England, for example, have a national spread of students. Patterns of recruitment have become somewhat more regionalised in recent years as the real cost of higher education has shifted from the state to students and their families, but the generality remains true.

The Funding Councils for Wales and Scotland have followed the same policy, with particular adjustments. For example, in Scotland the premium is paid to institutions on the same basis except that the definition of a "low participation neighbourhood" is set at 50% of the national average rather than the two-thirds used in England. In Wales, the premium is paid on the basis of the socio-economic "clusters" with no reference to participation rates. Only in Northern Ireland has this geographical approach to the premium been rejected. Here, the premium is paid to the Northern Ireland universities on the number of students who do not pay means tested fees.

Finally, in setting out the context for our empirical consideration of the geographical basis of this part of widening access policy we demonstrate that significant amounts of public finance are being distributed to universities through the "post-code" mechanism. In Table 1 we show the amounts

Table 1. **Total allocations by UK Funding Councils through the "postcode" premium**

Funding Council	2000/01 £m	2001/2002 £m	2002/033 £m
HEFCE	25.0	28.0	38.0
SHEFC	0.0	3.0	4.0
WFC	1.63	1.59	2.3
Total	26.63	32.59	44.3

Source: Communications from the Funding Councils to the authors.

allocated by the three UK Funding Councils. The amounts reflect the large scale of the higher education system in England relative to other regions but the data also demonstrate the growth in the volume of money allocated through this funding stream.

Developing policy – Areas versus individuals

The development of a geographical approach reflects the thinking of the funding bodies that has tended to focus on *areas* rather than *individuals*, and the approaches that have been used to measure, define and describe low participation. Recent work commissioned by the SHEFC to map participation in higher education (Raab and Storkey, 2001) is a good example of the kind of research that has been undertaken. This study examined the geography of higher education participation using Scottish postcode sectors, and examined change through time in the late 1990s, to allow institutions to identify areas of low participation.

There are several reasons why spatial indicators, such as the numbers of students who come from deprived neighbourhoods, might be attractive for policymakers as measures of those who come from a socially-deprived background. Firstly, as Raab and Storkey (2001) observe, incomplete individual-level data on social class mean that the area from which students come is sometimes the best available general indicator of their social situation. Individual-level data can be costly and difficult to collect and in these circumstances geographical proxy information on the type of area in which an individual lives might be necessary because it is the only readily available information. Secondly, spatial measures of social deprivation appear to be robust. Numerous indices (Robson *et al.* 1994; Noble *et al.* 2000; Noble *et al.* 2001) show that in the United Kingdom there are clear geographical concentrations of social deprivation and well being and so, on average, it seems to be common-sense to assume that individuals who live in a deprived area are likely themselves to be socially disadvantaged. Furthermore, participation in higher education usually follows quite closely the geography of social deprivation with lower participation rates in deprived neighbourhoods (Raab

and Storkey, 2001). Increasing the participation of those who live in deprived areas can therefore seem likely to lead to more involvement in higher education by socially disadvantaged individuals.

Although spatial approaches have some merit and are attractive for a variety of reasons there are also drawbacks to their application. The prime difficulty is caused by the ecological fallacy. This is part of a wider series of problems in using spatial data and making causal inferences (Martin, 1996). The ecological fallacy is the erroneous assumption that individuals share the social characteristics of the areas in which they live and that causal relationships at the level of a set of areas (*eg* wards or postcode sectors) apply to the individuals who live within them. This problem has been known for a considerable time and has been noted both in the geography and the social policy literatures (Bulmer, 1986). Martin (1996) gives a simple example to illustrate the meaning of the ecological fallacy in which a positive relationship between unemployment rates and the proportion of immigrants at ward level does not necessarily mean that individual immigrants are unemployed. In the case of participation in higher education the analogous position would be if students from socially-deprived areas were not themselves individually deprived and policies to encourage applications from deprived areas merely led to relatively advantaged students who happened to live in these neighbourhoods taking part in higher education. It is not known to what extent these problems are significant drawbacks for access policy in higher education.

The purpose of the analysis is therefore to examine the strengths and weaknesses of geographically-based measures of access using the case of Northern Ireland as an example. The next section describes the data used and the method that was adopted. Following this geographical patterns of higher education participation are mapped and their meaning is assessed in the light of available individual-level data. Finally, some thoughts on the robustness and applicability of spatial indicators in higher education are offered.

Data and method

The anonymised data for the analysis were provided by UCAS. The datasets gave the full home postcodes and social class of Northern Ireland domiciled entrants to degree level courses in UK higher education institutions in 2001 and 2002 (as measured by father's occupation or, if both parents are in employment the highest paid parent's occupation, or if a mature student by the student's own occupation).

The analysis therefore does not deal with participation in its strictest sense but with the background of applications to higher education. It is anticipated, however, that there will be many similarities between the spatial and social incidence of application to Higher Education and participation in Higher Education.

There were 10.576 applicants in the 2001 database and 10.946 in the 2002 dataset. The first stage of the analysis was to convert the postcodes to Northern Ireland map grid co-ordinates via a look-up table. The majority of the postcodes provided by UCAS were valid and Northern Ireland grid references were obtained for 10.395 of the 2001 applicants (or a 98.3% matching rate) and 10.813 of the 2002 applicants (or a 98.8% matching rate). These references were then input into a Geographical Information System (GIS) to locate the applicants in the wards that were used as output from the 1991 Northern Ireland Census. This geography was selected because of the availability of information on social disadvantage since the most recent Northern Ireland indicator of social deprivation – the 1999 Noble Index – used the wards and enumeration districts (EDs) of the 1991 Census. A disadvantage, however, was that population data were more difficult to obtain and to manipulate for the 1991 wards.

The selection of wards as the unit of analysis involved a number of compromises. Larger units, for example district councils, would permit greater numbers of expected and observed cases and would therefore be more statistically reliable. However, larger units are likely to be more socially heterogeneous and thus more prone to the ecological fallacy. Smaller units on the other hand are more tightly bounded and uniform and lessen the chances of the ecological fallacy being made but the smaller numbers of observed and expected applicants in EDs, for example, could cause statistical problems when working with low individual counts. Because of the problem of the ecological fallacy larger units such as district councils were not used. Smaller scale units such as enumeration districts (EDs) were considered problematic because of the difficulties presented by small numbers. The analysis was therefore undertaken at ward level as a compromise and also because of the availability of contextual information.

Participation in higher education was described using a variant of the Standardised Participation Ratio (SPR) as described by Raab (1998). This compares the observed number of applicants with the expected number in the form of a ratio. SPR values greater than 100 meant that there were more observed applicants than expected. SPR values less than 100 meant that there were fewer applicants observed than expected if the ward had been like the Northern Ireland average. The actual *observed* numbers of applicants per ward were known following the look-up table procedure. The *expected* number of applicants per ward was calculated by applying the Northern Ireland average participation rate to the population of each ward.

Even though wards were used as the analytical unit the possibility remained that small changes in the numbers of applicants could cause between years and that some SPRs might have been unreliable. To lessen these dangers, a shrinkage procedure was used which meant that SPRs calculated on

a small number of cases were drawn towards the population mean (Raab 1998). Several shrinkage approaches were the subject of experimentation. Firstly, constants were added to the observed and expected counts per ward. Secondly, a Bayesian approach (Langford 1994) using a published programme was used. For the purpose of the analysis the Bayesian approach was adopted. However, there were few differences in the patterns revealed between the different methods.

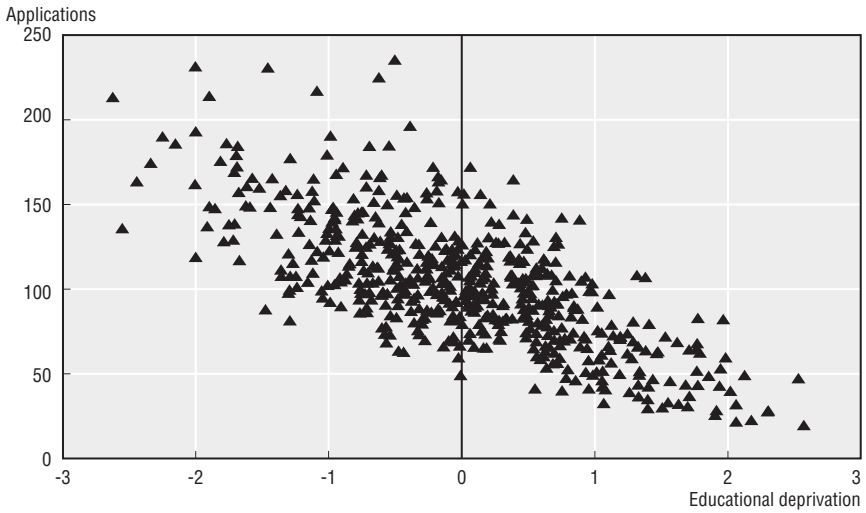
Information on social context was taken from the Noble Index. This is an index of multiple deprivation that was calculated for Northern Ireland, and published early in 2001, largely using 1999 administrative data. The multiple score for each ward is based on a combination of different domains of deprivation. These include themes such as income, employment, and education. The education domain is of particular interest for the present analysis and will be used, along with the multiple deprivation score, to contextualise application rates to higher education.

Results

The results of the analysis will be presented in two main portions. Firstly, areas of low and high higher education (HE) participation, in terms of application rates, will be identified for Northern Ireland as has been done for other parts of the United Kingdom. This is novel since there have been few attempts to map higher education in Northern Ireland. Secondly, this analysis will be used as the basis for a comparison of the social class background of applicants from low and high deprivation areas. The purpose of this is to comment on whether socially-deprived individuals are drawn from socially-deprived areas and the extent to which the ecological fallacy is being made when it assumed that individuals from deprived or low participating neighbourhoods are themselves deprived.

The first part of the analysis begins with Figure 1 that shows the relationship between applications to HE as measured by the shrunken SPR and the Multiple Deprivation Score of the Noble Index for 2002 applicants. Wards with SPR values above 100 exceed the Northern Ireland average and wards with positive values on the multiple deprivation score are those which are more socially deprived. The pattern shows a clear gradient along the lines expected. Wards which are more deprived tend to have application rates below the Northern Ireland average whereas those that are less deprived exceed the Northern Ireland mean. The relationship is not perfect – application rates range from below to over the Northern Ireland average for wards with approximately the same deprivation score but in general the trend is clear and is not unexpected. The same trends are replicated in the 2001 data and also for earlier years.

Figure 1. **2002 Application rates by ward (NI average = 100) by Noble Education Domain**



The social pattern traced in Figure 1 are reflected in the geographical distribution of low and high participation areas in Figures 2 and 3 dealing with Northern Ireland and the Belfast area respectively. Only three classes are used in these maps – "below average" (SPRs of 90 or less), "about average" (SPRs from 90 to 110) and "above average" (SPRs greater than 110). This is for presentational purposes – three classes are easier to represent in black and white than a larger number – but also for the reasons that a finer gradation could lead to spurious accuracy because of the small numbers sometimes involved in the production of the SPRs (despite the shrinkage procedure). For Northern Ireland, the participation patterns are not altogether clear. Rural areas have participation rates about or above the average whereas there are substantial areas of below average participation in the Belfast area but also in some rural neighbourhoods. However, the pattern in Figure 3 for Belfast is somewhat clearer and more easily interpretable. Large areas of the inner-city have below average rates of application to HE as have some peripheral public authority housing estates which are picked out in the map. Conversely, more affluent suburban locations have above average participation. These patterns are approximately the same for 2001 and for earlier years too. They are reassuringly similar to the geographical distributions noted in Scotland, and elsewhere, and also accord well with prior expectations that arise from knowledge of the social structure of Northern Ireland.

Figure 2. **Shrunken application rates in Northern Ireland 2002**

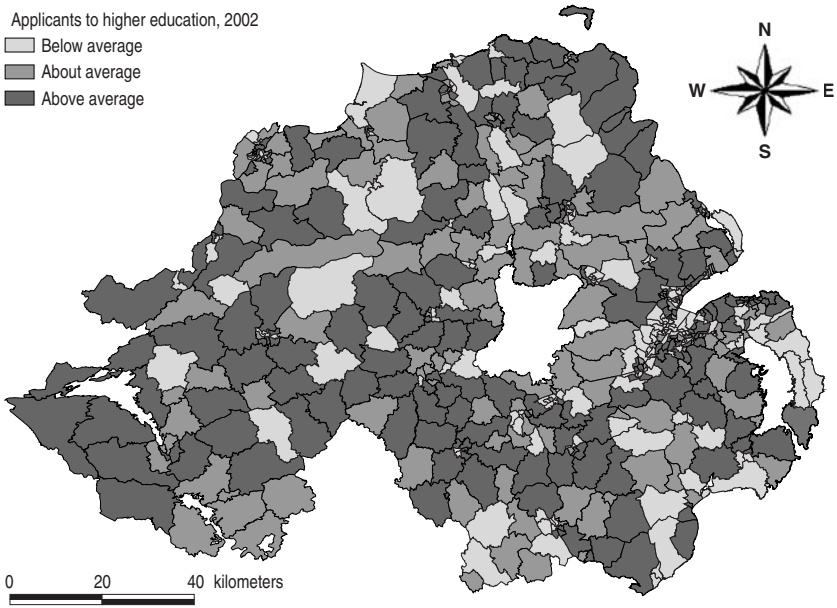
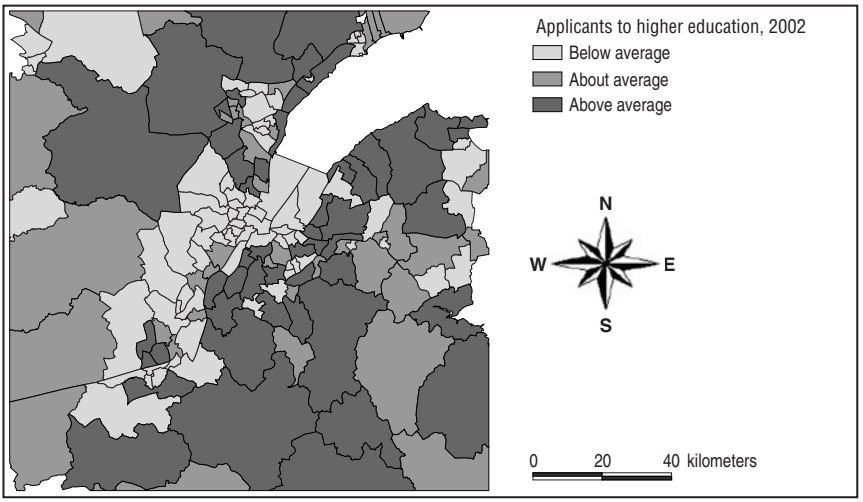


Figure 3. **Shrunken application rates in Belfast 2002**



The geographical analysis can therefore identify areas of low participation in Northern Ireland. These areas can be explained by reference to the incidence of social deprivation and the social geography of the region. This knowledge could be used to encourage the recruitment of students from low participating neighbourhoods to increase the social diversity of entrants to higher education and to enhance access by less-advantaged groups. A major caveat, however, is the extent to which existing applicants from deprived and low participating areas are individually socially deprived and the scope that might exist to engage with socially-deprived individuals. The second part of the analysis therefore examines how the background of applicants as measured by social class.

This analysis is undertaken in Tables 2 and 3. Table 2 shows the social background of HE applicants according to whether they came from the group of the 10% most multiply deprived or the 10% least multiply deprived wards (Columns 2 and 3), the 10% most educationally deprived or the 10% least educationally deprived wards (Columns 4 and 5), and the top 10% and bottom 10% of wards by application rates. The wards were ranked according to their score on the Noble Index and according to their SPR score. A number of different groups for the tables could have been chosen to focus, for example, on the 20% most and least deprived wards. It was felt, however, that the classes selected would likely to offer a good test of the ecological fallacy as the ward groups should be very different in their background than if they had been wider and so had included more of the "middle ground". Table 3 uses a similar format except that a different social classification is used for the 2002 data reflecting a change in statistical practice by UCAS.

Table 2. **2001 UCAS applications by parental social background, ward social background and participation level**

Percentages

Parental social background	Least multiply deprived 10% of wards	Most multiply deprived 10% of wards	Least educationally deprived 10% of wards	Most educationally deprived 10% of wards	10% highest participation wards	10% lowest participation wards
RGS I	16.8	3.3	18.3	3.3	17.3	2.9
RGS II	37.4	22.4	37.8	19.2	38.1	18.9
RGS IIIN	21.3	10.5	18.7	13.5	15.3	14.1
RGS IIIM	12.7	23.2	12.5	21.5	15.1	20.2
RGS IV	3.6	12.3	3.7	13.5	4.7	13.1
RGS V	0.8	3.9	0.9	4.7	1.6	4.8
Missing	7.4	24.4	8.1	24.3	7.9	26.0
Total	1 560	693	1 750	452	1 611	312

Source: UCAS.

Table 3. **2002 UCAS applications by parental social background, ward social background and participation level**

Percentages

Parental social background	Least multiply deprived 10% of wards	Most multiply deprived 10% of wards	Least educationally deprived 10% of wards	Most educationally deprived 10% of wards	10% highest participation wards	10% lowest participation wards
Higher managerial and professional	21.9	3.8	23.4	5.4	17.9	5.8
Intermediate	19.6	13.1	17.8	14.1	14.1	13.3
Lower managerial and professional	27.8	13.2	29.2	12.5	28.2	11.0
Lower supervisory and technical	3.3	5.1	3.4	4.2	4.0	4.6
Routine	2.8	11.5	1.9	12.9	3.0	13.5
Semi-routine	7.4	15.4	6.6	16.9	7.6	18.2
Small employer	5.0	11.2	4.9	7.2	12.8	8.6
Missing	12.2	26.7	12.8	26.7	112.5	25.1
Total	1 588	771	1 779	502	1 483	1 011

Source: UCAS.

An example of the ecological fallacy would be if there were no statistically significant differences in the social composition of applicants from the 10% most deprived and 10% least deprived wards. To investigate this, a series of chi-square statistics were calculated and statistical tests performed. These indicated that there were statistically significant differences (at the 5% level) between the social background of applicants from the most deprived and least deprived wards and the highest and lowest participation groups. Inspection of Tables 2 and 3 suggests that there are major differences at the upper and bottom ends of the social scale with a higher proportion of applicants from Social Class I or Higher Managerial and Professional backgrounds from the group of 10% least deprived wards. On the other hand, however, there is a greater share of applicants with less advantaged social backgrounds from the most deprived wards. It is also very noteworthy that the share of those with "missing" social backgrounds is much higher in the high social deprivation and low participation groups than in the low deprivation/high participation groups. This suggests that there are clear differences in the social make-up of HE applicants according to the class of ward that they come from and that there is evidence that the encouragement of HE applications from deprived or low participating areas – in this case the 10% most deprived or 10% lowest participating wards – could effectively target those with individual social disadvantage.

However, there are caveats to this view, and these indicate that there is still a danger of the ecological fallacy being made. These caveats arise from further examination of the tables. These show that although there are major differences at the extremes of the social distribution, there are also some

similarities in the middle. Table 2 shows, for example, that relatively high shares of applicants come from Social Class II in both the most deprived and least deprived group of wards and that there is also substantial overlap in the Social Class III categories. Likewise, in Table 3, the shares of those from "intermediate" backgrounds are similar for wards in the low and the high participation categories. This indicates that a spatial policy which seeks, on an undifferentiated basis, to encourage those living in deprived areas could in some circumstances benefit the same types of people as live in less deprived neighbourhoods.

Discussion

The analysis shows that the relationship between HE application rates and multiple and educational deprivation is as might have been expected as application rates decrease on average as deprivation increases. Spatially, this leads to a map of HE applications with higher rates in affluent areas and lower rates in deprived areas such as inner-city wards and peripheral public authority housing estates. This evidence indicates that it is possible to define low participation areas in Northern Ireland using readily-available data. Lower application rates in deprived areas than the Northern Ireland average also suggests that there is scope to encourage applications from these locales.

If this approach is followed it is important that socially-deprived people from socially-deprived or low participating areas make applications to HE. The evidence indicates that there are differences in the social background of current applicants according to their social residential context. Those from high-participating areas, for example, are more likely to come from more affluent family or personal backgrounds, whereas those from low-participating locations tend to originate from lower social classes. A case could therefore be made that encouraging applicants from deprived/low-participating areas should help those who are socially disadvantaged. Everything else being equal, this ought to be the case particularly since there is a greater pool of disadvantaged individuals living in deprived areas. However, the chances of applying for and entering HE vary by social class and this social selectivity could lead to the ecological fallacy in which there are more applicants from socially deprived areas but these individuals are not themselves always socially disadvantaged. The potential for this is illustrated by the overlap in the social backgrounds of HE applicants from deprived and less deprived wards – many applicants already coming from deprived areas do not appear to be individually socially disadvantaged.

The examination of the Northern Ireland UCAS data also suggests that significant methodological problems remain to be overcome before the processes and patterns of entry in higher education can be understood.

Spatial approaches, mapping areas of low and high participation, and seeking to encourage applications from low participation areas, clearly have some merits but also some drawbacks because 0of the potential for the ecological fallacy. Financial premiums that reward institutions for recruitment from these areas may therefore miss their mark. However, individual data are also problematic. Weaknesses in HESA data on individual social background were noted by Raab and Storkey (2001) and this analysis also highlights the relatively high proportion of "missing" cases in the UCAS data on parental social background. This proportion ranged from 10%-12% in the least deprived areas to over 20% in the wards in the most deprived/lowest participation groups. This indicates that the spatial distribution of missing values – and possibly its social distribution – is non-random. They might occur if the data were simply missing because the question was not applicable – for instance if both parents had been long-term unemployed and they had no occupation. If missing values occur because some applicants have parents who effectively have no occupation to record because of unemployment, then there could be an argument that the proportion of applicants with "missing" parental social background could be a good access indicator. However, it is suggested that UCAS data collection procedures could be improved to eliminate this problem and to clarify the nature of the missing values.

Conclusions

In this paper we have discussed the issue of how widening access has developed as a major policy theme in UK higher education since 1997. We have also analysed, in particular, one of the main policy instruments designed to implement the policy and have found that the evidence suggests that the geographical approach has major flaws as a basis for correctly identifying individual students on which to base the payment of a widening access premium or to recruit students into university projects designed to promote widening access.

None of this should be a surprise, however, since the difficulties of using area – based approaches to deliver public policy initiatives has been well known for years. In the United Kingdom, for example, the early 1970s anti-poverty programmes were delivered on an area basis. Subsequent research was able to demonstrate that most of those who were deprived in socio-economic terms did not live in the areas used and that even the areas of greatest concentration of deprivation included significant numbers of people who were not deprived, (Holterman, 1975). Moreover, Edwards (1987) has identified the injustices involved in awarding social benefits to the basis of where people live rather than their individual characteristics. Simply, people benefit that should not do so. Bulmer (1986) offers a penetrating critique of both social science research and public

policy interventions in the UK in the 1970s and early 1980s which falls into the trap of the ecological fallacy.

The use of the geographical approach adopted by the higher education funding authorities, therefore, falls full square into the problems of being both inefficient and being unjust in its operation. So why has it been adopted? Defenders of the initiative would argue that precise accuracy is not the aim of the policy but rather it is a general tool to push the higher education system in a broad direction. If so, then it is incumbent on its proponents to demonstrate that this has been achieved and that progress has sufficient to outweigh the major weaknesses we have outlined. The four year cycle of performance indicators published by HEFCE noted above, however, suggest no significant movement in the widening participation measures either at the UK or the regional levels.

Finally, the days of the postcode approach might well be numbered. The UK government's White Paper on higher education (2003) indicates that it wishes the HEFCE to look at alternatives and the latest allocation of widening access resources from HEFCE to the funded institutions for 2003/04 channel significant resources other than through the postcode premium (HEFCE, 2003). While it is understandable that a geographical approach was attractive, given the availability of information, it is surprising that it did so with little apparent understanding of the known problems identified in both the geographic and policy literatures.

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Growing Research: Challenges for Latedevelopers and Newcomers[1]

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Across OECD countries, governments, policy makers and university managers are examining the future of higher education and questioning the role of educational research. These discussions are taking place against the backdrop that knowledge production and the contribution of higher education to the economy and the prestige and standing of nations is rapidly transforming the once benign higher education system into a competitive market place. Moreover, many governments believe the existing system of funding and/or organisation is no longer sustainable. Should research funding be spread equitably across many institutions or should only a few concentrate on research and the rest focus on teaching and training? If massification was a major force on higher education in OECD countries in the latter half of the 20th century, then competition driven in part by institutional research capacity is playing a similar role in the early 21st century. These forces are influencing in a very directive way how individual institutions are organising and managing themselves. This article looks at the specific challenges faced by new and emerging higher education institutions of growing research from a "fragile base". In the process, their experiences raise wider questions for both higher education institutions and governments.

Introduction

> "For the first time, a really international world of learning, highly competitive, is emerging. If you want to get into that orbit, you have to do so on merit. You cannot rely on politics or anything else... " (Clark Kerr, quoted Clark, 1998, p. 136)
>
> "Research is a core element of the mission of higher education. The extent to which higher education institutions are engaged in research and development activities has a key role in determining the status and the quality of these institutions and the contribution, which they make to economic and social development." (Government of Ireland, 2000)

Today, two powerful and parallel forces are influencing and setting the agenda for higher education.

- The geo-political positioning of nations and the centrality of research/knowledge production has become a key element of national and supra-national development and growth strategies. Knowledge and the creation of new knowledge are perceived not only as essential generators of material benefit but critical to national geo-political positioning. National governments are purposively attaching great strategic importance to capacity-building decisions and investment. As higher educational institutions (HEIs) are required to contribute more effectively and efficiently to economic growth, innovation and human capital, national and institutional research expenditure and capacity building are no longer discretionary.
- Research has increasingly been the formative indicator of higher education, arguably playing a critical role in establishing a new fault-line across HEIs and the educational marketplace. As competition becomes one of the major forces impacting on higher education, research and research capacity now forms an essential component of this environment. The contribution and prestige of higher educational institutions is being determined more and more by the quality and quantity of their research.

Established universities have been better placed to exploit the demands of this knowledge competitive global environment and meet government objectives. In contrast, newer institutions as late-developers or newcomers face particular barriers-to-entry. Indeed, the most frequent remark made by new or emerging institutions is that the process of formation or conversion

(see below) has ignored their status as either late-developers or newcomers. They highlight three key issues:

1. Unlike established universities, most new HEIs were not traditionally resourced for research and as a consequence they have poor institutional infrastructure and technical support. Whether the result of a *de facto* or *de jure* binary, this funding gap has continued, and over time differences between the two groups have widened.
2. Academic staff at new institutions were hired originally to teach, as a consequence, they often lack the necessary prerequisites, *e.g.* a research postgraduate qualification and research experience. In addition, academic workloads are significantly greater than their university colleagues'; hence, research is being built on the back of relatively heavy teaching commitments, producing, in some instances, internal tensions and morale difficulties. These conditions are compounded by salary and career differentials which inhibit faculty-building strategies.
3. Many new HEIs have parented many new, vocationally or professionally based disciplines, most of which had no research tradition. Accordingly, the institutions face particular difficulties achieving recognition and funding, and navigating from successful applied and professional teaching programmes to research postgraduate activity.

Given the juxtaposition between their "sheer under-development of profile" and the broader socio-economic and geo-political significance of higher education and research, this article examines the research management and organisational challenges faced by new and emerging HEIs as late-developers and newcomers. Variously described as tertiary, alternative, postsecondary, new generation or modern universities or non-universities, many new HEIs were established either via the transformation, amalgamation or merger of regional, community or vocationally-oriented colleges or as *ab initio* institutions since 1970. Twenty-six HEIs across 17 OECD and non-OECD countries agreed to participate in an international study on research strategy and development by completing a comprehensive questionnaire, participating in a round-table seminar and/or being interviewed and hosting an institutional visit. As HEIs, they have varying degrees of research development and experience.

The article, which draws heavily on that study and represents work in progress,[2] is organised into the following sections: the first section describes some institutional research management and organisational issues and choices; the second section identifies examples of institutional "good-practice"; and the third section investigates the particular challenges which new HEIs experience as late-developers and newcomers. The conclusion asks what policy or other initiatives might help new and emerging HEIs and raises questions for both higher educational institutions and governments.

Research management and organisational issues and choices

The teaching-research nexus is coming increasingly under threat from researchers who question the importance of this nexus and, more influentially, from governments, policy-makers and some universities which question whether research activity and funding should be spread equitably across all HEIs or whether it makes more sense that only a few concentrate on research while the rest focus on teaching and training. While it is perhaps not surprising that this debate is surfacing at a time of global economic slowdown and enhanced inter-institutional competition, questions about system differentiation have been asked for many years. Newer institutions have often been accused of adopting the accoutrements of traditional universities, actively copying their research profile and teaching programmes, and engaging in "academic" or "mission" drift. Others, however, have seen these developments as part of the inevitable process of institutional growth or a further step in the democratisation of the "Humboldtian ethic" (Neave, 2000, p. 265). If massification and expansion in 1960s differentiated the second stage in higher educational development from its elite origins, then the late 1990s marked the beginning of the third stage. By then, it was clear that a broadly educated population could no longer be formed by and within traditional universities alone. Thus, paradoxically, by seeking to best respond to their mission, new and emerging HEIs soon outgrew the straitjacket of their birth (see Hazelkorn, 2002).

Why do research?

New and emerging HEIs highlight two primary forces which have fuelled their research ambitions and development strategy: mission and survival (see Box 1):

Mission: Many new institutions were established as part of a regional economic strategy. They were required to focus on local and regional needs, and specifically to develop and help "retain an educated manpower in the area".

Box 1. **Why do research?**

"Sustain academic and professional reputation in knowledge-based economy"

"Align academic activities with economic development of region"

"Provide economically useful skills with industrial relevance"

"Academic excellence in a professional context"

"Eligibility for specific funding opportunities"

"Retain and improve position"

Initially they were allowed to undertake only limited research, albeit there were requirements regarding relevant knowledge and applied learning. Essentially, their role was primarily "teaching only". Over time, and commensurate with the labour market implications of the knowledge economy, this commitment has become inextricably bound up with and to growing research capacity.

Survival: Reductions in government funding, the geo-political significance of knowledge, and the emergence of benchmarking and other evaluative criteria have had a powerful impact on HEI behaviour. New institutions are no different from their older colleagues; arguably, they are acting as rational organisms by responding to specific funding opportunities (see Porter, 1990). As the data shows, research activity and priorities are strongly linked to competitive position. For some, their research reputation and what flows from that is so important that the HEIs have provided funds often contrary to government approval.

While Box 1 indicates why new HEIs believe research activity is essential, Box 2 and Box 3 identify the specific external and internal factors which the HEIs say are influencing their research strategy and agenda.

Box 2. **External factors influencing institutional research strategy**

Political-economic

- Globalisation
- Knowledge economy
- National research strategy

Financial

- External funding mechanisms and policy instruments
- International/supra-national research programmes
- Benchmarking

Institutional position

- Socio-economy of region
- Demands from industry/government
- Presence of other institutions
- Consultancy and entrepreneurial activities

Priority-setting

To help achieve their objective, 90 % of participating institutions said they were actively developing research strategies and setting priorities. Priority-

Box 3. **External factors influencing institutional research strategy**

Mission and strategy

- Requirement of funding body
- Change of status
- Self-perception

Human resource and institutional structure

- Availability of competence
- Funding opportunities
- Recruitment/retention of students

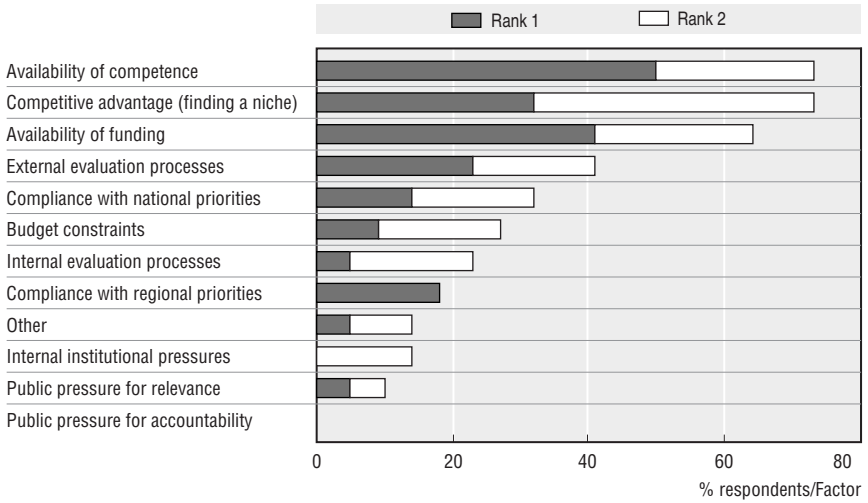
Research Profile

- Aspiration to develop profile and status
- Research-teaching nexus
- Relationship with industry

setting was viewed as both necessary and good. It forced and facilitated institutions to make tough choices between external, institutional and researcher's priorities. Ideally, institutions seek to accommodate all three factors but with reductions in government funding, identifiable national priorities, and benchmarking and other evaluative criteria, meeting two of these criteria is probably more realistic. In addition as institutional survival and status become intrinsically linked, competitive positioning is strongly influencing institutional priorities. For many HEIs, this means identifying applied, interdisciplinary research which is "tightly interwoven with the region" via innovative partnerships and commercialization. A key factor influencing institutional priority-setting (and other related issues of funding allocation models, research structure and planning processes, and recruitment strategy) is the timeframe available in which they can grow their research capacity. As referenced above, many institutions referred to a "sense of urgency" generated by a strong belief that global factors and government policies were reshaping higher educational systems along a research fault-line.

Asked to rank the factors influencing their priority setting, participating institutions noted the availability of competence and competitive advantage/ finding niches as the two most important factors (Figure 1) Compliance with national priorities (30 %) was noted as more important than regional priorities (18 %); only two institutions mentioned regional priorities as more significant. The external evaluation process was seen as more influential than either the

Figure 1. **Factors influencing priority-setting**[1]



1. Participants were asked to rank in ascending order the most important factors influencing their priority setting. The tables combine the first two choices. "Public pressure for accountability" sught to ascertain whether HEIs felt they were compelled to undertake research as part of their public/civic responsibility – the question may have been unclear but it was not deemed a key factor.

internal evaluation process or internal institutional pressure – an interesting example of how Government policy instruments do influence institutional behaviour.

Definitions of research

Defining research activity and measuring output has become an often-debated issue in higher education. Traditionally, university research has been associated with discovery or the search for something new, in other words "basic research", with the results of sustained enquiry submitted to the critical questioning of others via, for example, peer-reviewed publications. In contrast, the broader concept of scholarship may include the ability "to glean information" and "respond critically to what has already been done in the field" (Neumann, 1993). These definitions are arguably discipline-specific; the sciences normally emphasize the discovery of new facts while the humanities offer critical commentary and the social sciences include a range of methodologies, *inter alia*, data collection, surveys and observations.

Several factors have contributed to widening this definition: 1) New HEIs, with a mission for regional and community engagement, have developed new professional disciplines, which focus on applied questions raised by particular groups, and/or emphasize issues of professional and creative (arts) practice;

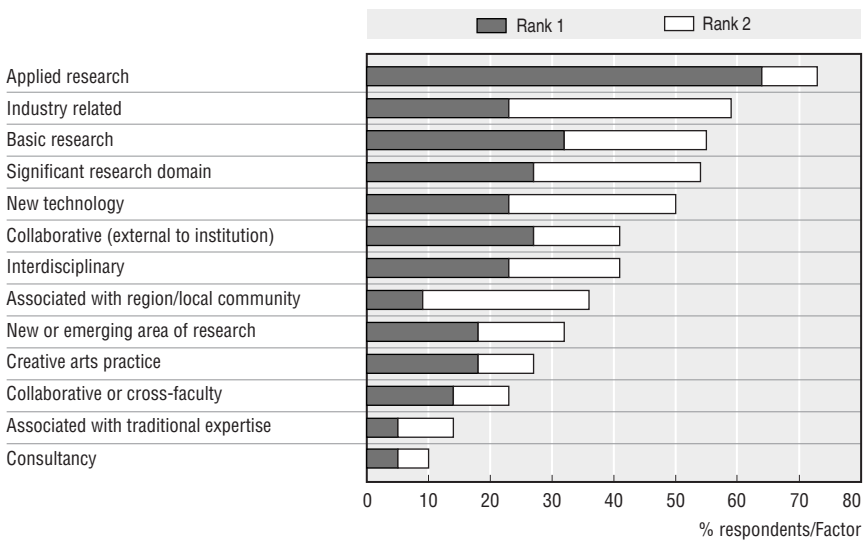
2) Gibbons' (1994) Mode 2 acknowledges that more and more research is interdisciplinary, conducted outside universities and in the context of application (*i.e.* knowledge is created within the context of being useful); 3) Boyer's (1990) concept of four equivalent scholarships (discovery, integration, application and teaching) has recognised/validated the diversity of faculty functions and activity.

To a great extent, these developments reflect and are favourable to the history and mission of new HEIs. Rather than seeing research as simply a duality between basic and applied, new HEIs have pioneered the view that research embraces a (non-hierarchical) continuum of activity, including basic, applied, industry, creative and professional practice, and consultancy.

> "research which 'informs and is informed by learning, teaching and professional practice' and is 'tightly interwoven with the region' via innovative partnerships and commercialisation.[3]"
>
> "... increased focus through collaboration across disciplines and institutional 'barriers'. Our research strategy is built around making a difference to all R&D partners – be they enterprises, industry sectors, government or communities..."

Figure 2 illustrates how new HEIs translate these concepts into priorities. Allowing for interpretation and overlap, preference is given to applied and industry related research. While basic research ranks third, there is strong emphasis on external collaboration and interdisciplinarity, both of which are strong features of the new political economy of higher education.

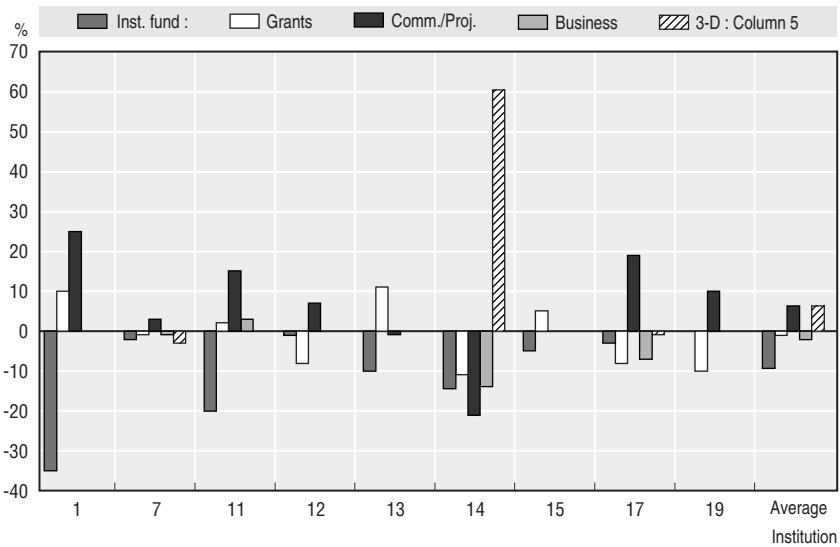
Figure 2. **Priority research domain**



Institutional and research funding

Because funding is one of the major driving forces for the development of research, participating HEIs were asked to identify their institution's main sources of research funding. With few exceptions, all HEIs have experienced a reduction in government and similar grants, and an increase in competitive funding between 1995-2001. On average, they claimed a 9% drop in institutional funding, and an increase of 6% in both external competitive and other funding. Interestingly, funds from business were also slightly down, albeit it had increased in seven cases (Figure 3).

Figure 3. **Per cent change in research income (1995-2001) by source as perceived by HEIs**[1]



1. The table indicates the percentage change in funding sources. "Institute" identifies the participants by anonymous number so that some comparisons can be done; an average change has been roughly calculated.

While the reductions in funding paint a grim scenario for all HEIs, any slip in the core-funding base is likely to be proportionately more serious for newer HEIs. The key question is the extent to which the funding gap can be bridged by diversifying funding sources; earning external funds via competitive research grants carries its own challenges. Participating HEIs felt funds were often "politically and historically decided" or weighted in favour of established universities and traditional academic research activity and outputs. Without alternatives, they were overly dependent on government at regional, national and EU levels, and priorities set by private partners. Moreover, given their

fragile base, new HEIs were unable to adequately resource researchers and research time which might make them attractive for such external funds – a "chicken and egg" scenario.

Institutional "good-practice"

The Research Office is now virtually ubiquitous within all institutions seeking to grow research; it is considered the key structural and organisation ingredient to activate and support research activity (see below). Led most often by a Deputy or Pro Vice-Chancellor or Vice-President for Research or Research and Development, it has an explicit role to manage, organize, and improve the competitive performance of research. The formulation of a research strategy is the primary starting-point, on the basis of which each institution seeks to identify a selected number of research priorities or interdisciplinary themes. Depending upon institution, the Deputy/Pro Vice-Chancellor/Vice-President for Research is the institutional link and co-ordinator between and across faculties and management, and via Deans and/or Research Committees.

There are three models of research decision-making which emanate from the study:

1. Centralized or top-down approach, whereby priorities and funding are determined by the Pro-Vice-Chancellor for Research (or equivalent). This model appears to be the result of acknowledged urgency to develop research (for example, one institution stated it is now "telling" its researchers what the priorities are) or an institution's cultural milieu which supports a top-down approach.
2. Decentralized or bottom-up approach, whereby research priorities are set mainly by individual researcher/department. A distillation of priorities from the bottom-up may occur. This model appears to be the product of "older" institutions with a strong tradition of individual scholarship and/or weaker organizational structures.
3. Combination of top-down and bottom up processes, which involves different vertical levels of university personnel, boards and groups: *e.g.* Rector, Pro Vice Chancellor, Senate, Deans, Directors of Research, Directors of Research Centres, Research Committee, Academic Executive (Deans and VCs Group), Academic Board, Planning Working Party, research committee, sub-groups of academic council, research groups, and individual researchers. Co-ordination is essential, and is usually maintained at institute level, with the Research Office playing a key role.

In addition, there are informal factors, such as peer pressure, historical perspectives and perceptions which are at work. Disciplinary approaches to research can also influence priority setting; for example, in the arts and humanities, priorities have tended to be set by individual "stand-alone"

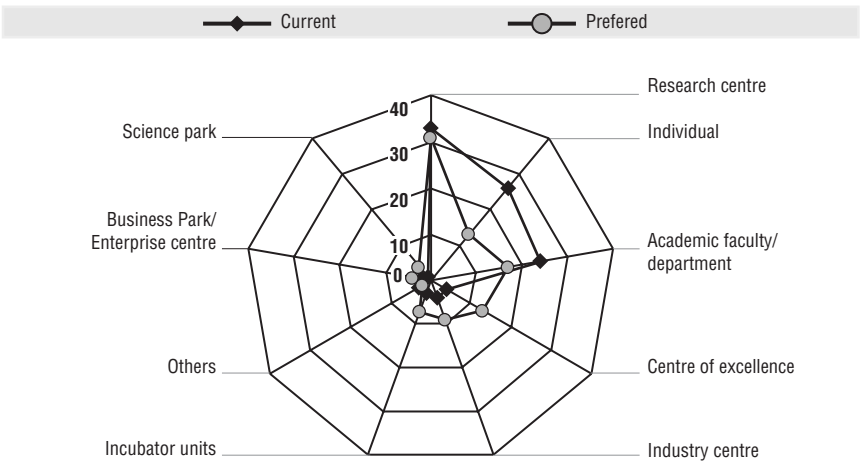
researchers, while scientists are more accustomed to responding to and bidding for external priorities as part of a research team.

The combination model accounted for the preferred organizational structure of over 50% of participating HEIs, with 60% of institutions stating that researchers were actively involved in the process; models 1 and 2 accounted for 23% each.

Where is research conducted?

While research and scholarship is still grounded on the activity of individuals, it is less and less conceived of as an individual activity. Accordingly, most institutions want to shift the locus of activity away from individuals and towards clusters. They emphasize the importance of growing a critical mass or community of scholars based upon interdisciplinary teams with grant-awarding reputations and timely outcomes. Organizationally this translates into preferencing research activity at the departmental level or within research centres, centres of excellence or latterly in industry/science parks. In turn, research centres provide important foci and stimuli for research activity and the growth of a research culture, especially for new researchers. Figure 4, a radar diagram, illustrates the difference between where research activity is conducted today and where HEIs would strategically prefer research to take place in the future. For example, individual activity shows a strategic decline from 27% to 15% as the favoured cite of research activity.

Figure 4. **Where is research conducted?**[1]



1. This radar diagram seeks to illustrate where research is conducted, by individuals, in faculties/ departments, in centres, etc. The number represents the per cent of activity taking place in a particular way.

There is often a progressive relationship between these "units". Research is normally developed around and through clusters of activity within academic departments. As the level of activity reaches a size effectively incompatible with routine academic demands or structures, (semi) autonomous research centres, centres of excellence or campus companies are favoured. In rare cases, HEIs support the independent research institutes (see Hazelkorn, 2002, for a fuller discussion).

What works?

Asked what factors or initiatives have been most helpful to the growth of their research activity, participating HEIs mentioned many issues, grouped by this author under five headings, in descending order of significance:

Collaboration

Twenty-eight per cent of HEIs mentioned contact and collaboration with the local and/regional economy as being paramount in developing sources and programmes which sustained applied research. Adopting the "triple helix" framework (Etzkowitz and Leydesdorff, 1997),[4] HEIs are using formal and informal mechanisms to establish close contacts between the university, local and regional policy makers and industry. One institution specifically singled out the establishment of an industrial liaison office, while many others emphasised the over-all importance of collaborative research and research networks, especially in the context of interdisciplinary research and for new HEIs. As Figure 2 and Box 2 above illustrate (see also Figures 5 and 6 below), participation in external/collaborative and industry activities, and evaluation exercises/international benchmarking evaluations were viewed as extremely important and useful developments.

Organisation

As aforementioned, the research office and encouragement of clustered research, most often via research centres, is now universally accepted. The Research Office provides a range of services, *inter alia*: project preparation, application writing, financial or budget advice, project management, funding sources, contract negotiations, external review of research concentrations, supervisor registration and training, and audit of publications and research income. Relatedly, some HEIs are using strategic planning agreements and registration to determine future objectives and specific activities for academic units, as well as defining scientific output, technology transfer, promotion of RDI, and the quantitative and qualitative growth of research activities. The designation of positions for research at senior management and faculty level, along with graduate schools, are also seen as organisationally significant.

More funding

It is not surprising that securing research funding was mentioned as critical to institutional success. Twenty two per cent of participants highlighted achieving increased funds via success in national/international competitions and, for Europeans in EU programmes, and by redirecting funds internally. Underlying individual reports, was the view that success bred further success; more funds gave institutions the ability and latitude to grow research more deeply and with greater success.

Human resources

Research depends on researchers but new HEIs face particular challenges establishing a research culture because many staff were originally hired as teachers and not researchers. Skoie (2000, p. 416) has commented on these challenges: "squeezing research out of people and departments that have no training, aptitude or inclination inevitably generates tensions while one participant noted that the HEI 'faced a generational change among the academic staff ... newly recruited staff come with a new view of the necessity for research as well as co-operation with the trades and industry". Because this process can be so long, many good researchers often leave out of frustration (Berrell, 1998); hence, institutions, and the literature, have mixed views on whether it is possible to grow research from their existing base or whether they need to rely more heavily on recruitment strategies. Accordingly, HEIs have used a combination of initiatives to "reconfigure the people mix" (Box 4). Institutions and researchers also point to informal mechanisms which facilitate research productivity, including collegiality, sharing information and experiences with colleagues and public recognition. (For a fuller discussion of the issues, see Hazelkorn, 2003.)

Enhanced status for applied research

Several institutions mentioned the importance of government, and hence funding agencies, recognition of the importance and role of applied research institutions. Such recognition has been particularly significant in the context of many new HEIs which have a regional mission. This mission has received an added boost from sub-national economic strategies which recognize the key role to be played by higher education institutions as an important generator of wealth, as a producer of new knowledge and new knowledge workers and as a consumer of products and services.

Indicative actions

Government and supra-government reviews of the structure of higher educational systems and the existing funding models have, not surprisingly,

Box 4. **Human resource development**

HR Strategy	Indicative Actions
Recruit	Align recruitment strategy to priority areas via experienced researchers, post-doctoral or other senior professorial posts, sometimes on contract and but accompanied by relatively generous support funds and salaries.
Re-invigorate	Provide incentives, and reward and recognize research performance via promotion, salary and other benefits, including career stream choices and new academic contracts which include research or create research-only positions.
Train	Use staff development or faculty-building plans to assist new researchers, including facilitating PhD attainment, mentoring, application writing, etc.
Re-orient	Encourage involvement in new fields or membership of research teams via incentive schemes.
Enable	Enhance research facilities and opportunities, including flexible workload schemes, sabbatical leave, research scholarships and fellowships.

sparked a review of the role of individual HEIs, with increasing attention has focused on the role and importance of research activity and research funding. These external forces are influencing very directly how individual institutions are organising and managing themselves. Nowhere is this more apparent than around the issue of research as many HEIs perceive themselves being placed into a "second tier sector of teaching institutions relying on hand-me-down learning from a closed shop of wealthy research universities" (King, 2002). Thus, for many, there is a great sense of urgency influencing their strategic decisions.

Thus, drawing together some initiatives undertaken by participant HEIs, it is possible to identify seven actions used to grow research capacity. It could be argued that actions 1-6 represent a determined positioning of research activity at or near the centre of an Institute's agenda while number seven focuses on a broader concept of building a "culture of scholarship" as per the above discussion on "Human resources".

Box 5. **Approaches used to grow research capacity**

	Policy	Indicative actions
1	Investment	Realign budgets to support research and/or to disproportionately support research active staff or internationally competitive research.
2	Active use of performance indicators	Match internal evaluation processes with external processes to ensure research is meeting international standards and use the results to help shape priorities, funding mechanisms, recruitment, etc. (see below).
3	Limited number of research priorities	Develop institutional agenda-setting mechanisms to preferentially support internationally-competitive domain only
4	Research clusters and centres	Funding and support mechanisms used to encourage the growth of research groups, capable of winning sizeable external funding and recognition.
5	Align funding, recruitment, etc., to research priorities	Ensure that organisational priorities at teaching, funding and support level reflect the priority domain.
6	Strategic alliances with other HEIs or industrial partners	Identify key industrial and civic/government organisations which match research strengths and establish partnerships.
7	"Culture of scholarship"[1]	Proffer wider definition of scholarship which recognises that not everyone needs to be involved in research.

1. Some HEIs have explicitly adopted Boyer's (1990) concept in order to develop a supportive HR environment, in which research activity is only one, and perhaps not the most important, metric to evaluate staff performance.

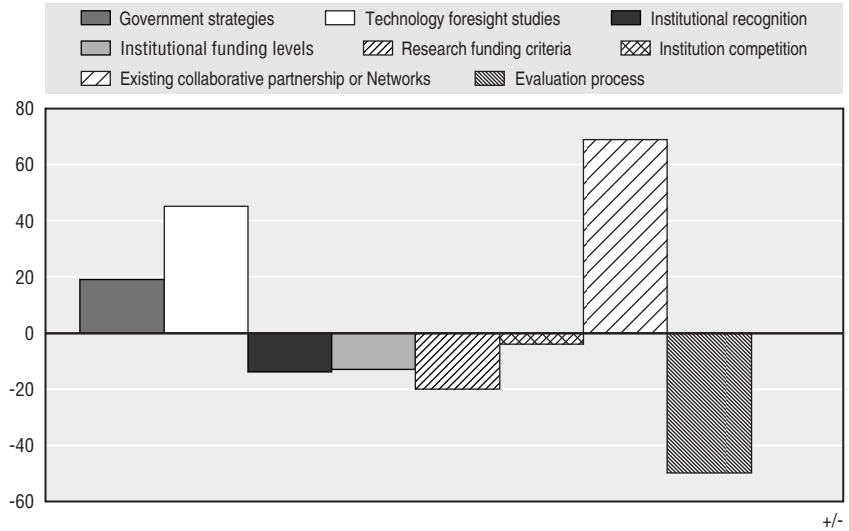
Challenges for the late-developer or newcomer

Established universities in developed countries have arguably been best placed to exploit the demands of the new knowledge environment. It could be said that they have both the expertise and track record to respond and compete successfully. In contrast, new and emerging institutions are catching-up in an increasingly competitive world. As late-developers or newcomers, they face particular barriers-to-entry.

Participating HEIs were asked to identify the particular problems they faced developing research activity. Most notably, in descending order, funding, evaluation criteria, poor research culture and HR issues ranked most highly, followed by infrastructure, status, uneven competition and physical isolation. A more nuanced interpretation is evident in Figures 5 and 6 which sought to understand how distinct factors impacted on the process. For example, government and institutional funding were identified, not surprisingly, as having the "greatest influence", albeit according to one institution they occupied an ambiguous role, both helping and hindering.

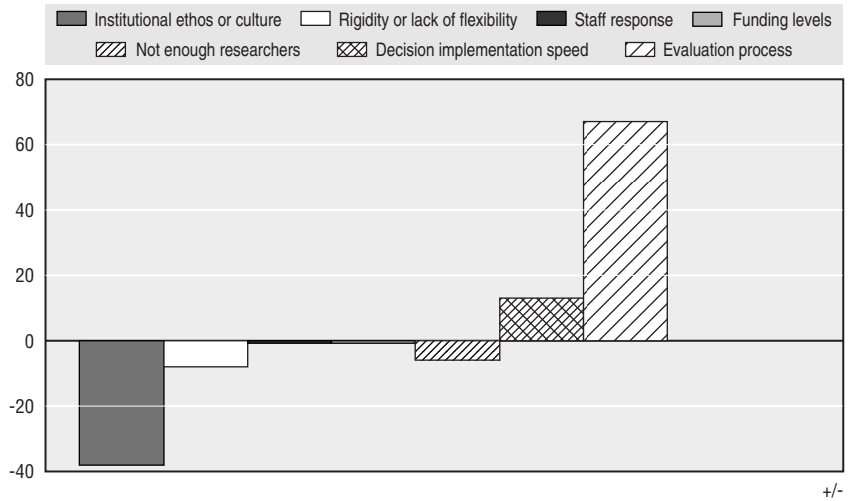
> "Government strategies both help and hinder with the greatest significance. They help because the budget of universities is determined to a fair extent by the competitive research performance. They hinder because the

Figure 5. **Have external factors helped or hindered the growth of research activity?**[1]



1. Participants were asked to rank a series of factors indicating how strongly they felt the factor had helped (+) or hindered (-) growing research. The individual results for each factor were summed and the resultant positive or negative value provides an indication of the relative influences of each factor. The numbers are indicative relational positions.

Figure 6. **Have internal factors helped or hindered the growth of research activity?**



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> government sees us as a new university and does not encourage us to do too much research (which indirectly affects our funding)."
>
> "Institutional recognition has also helped and hindered at the same time. Our university is recognised by ... industry as the most accessible university and therefore most of the research funds from industry come to us. The Government is aware of this, therefore they do not give us enough research budget thinking that we get most of what we need from industry."

Another interesting juxtaposition is to be found around the role of the evaluation process. New institutions felt that evaluation exercises were important and useful instruments to help shape priority-setting and related mechanisms/actions, particularly within the institution, however there was an apprehension that assessment panels were biased in favour of established disciplines and older research universities. In this regard, such evaluation criteria and processes became a negative force, impeding the growth of research activity. New HEIs however face other challenges; as Figure 6 illustrates, many new HEIs face issues arguably associated with their status as new universities or institutions struggling to grow research.

The concept of "late industrialization" has been most commonly invoked to examine the growth experience of what were previous described as "underdeveloped economies", for example, the Asian Tigers or, more recently, the Celtic Tiger (Ireland) economies. The literature describes a series of disadvantages best associated with starting late compared with the advantages of having an early lead over other competitors/countries. As O'Malley (1989, pp. 1-2) states:

> "Arguably, the established competitive strength of the developed countries has constrained the industrialization of the modern generation of late comers in the less-developed world, since they would find it difficult to match the established competitive capabilities of more advanced economies."

This view of development contrasts with conventional wisdom which has argued that "the free operation of markets leads to efficient and rational use of productive resources of capital and labour". In this scenario, underdevelopment is generally assumed to be due to difficulties within the underdeveloped country as no defect in the external environment (the international market economy) is accepted. At variance is a fairly wide literature on the special difficulties faced by late-industrialisers. Acknowledging some geo-specific issues, the literature does refer to common difficulties which act as barriers to entry, significantly inhibiting the ability of late developers to participate fully and successfully. These include structural features which give established providers strong competitive advantages;

hence, rather than market entry being open, it is in effect constrained because resources and influence take considerably time to build.

Adapting this model to the experience of new and emerging HEIs suggests strong similarities. Most of the participating HEIs highlighted common experiences, *inter alia*: starting late with/from a poor resource base, undemonstrated capacity outside important networks, policy and funding mechanisms reinforced the imbalances, HR and IR tensions specific to late development. While many of the difficulties cited by new and emerging HEIs may not be unique to them, many of them have expressed the view that policy instruments are explicitly or implicitly being used to reinforce the position of older institutions. Hence, there is a belief that government policy appears to favour established institutions, that the criteria and rules for research funding are antipathetic to new HEIs, that insufficient regard is given to the needs of late-developers or newcomers, and that government policy facilitates operational differentiation. Whether this is the result of deliberate policy – the word cartel is occasionally used – or alliances inevitably developed over time, new HEIs believe the effect is to prevent them competing with older research universities. This view corresponds with the earlier cited unhappiness with external evaluation processes. Meek and O'Neill (1996, p. 74) state that older universities are resentful at having to share the "research spoils" with new institutions. Hence criteria and rules for research funding are, they suggest, introduced and altered to meet the needs of the established universities and "deliberately" disadvantageous to new institutions. Geiger (1993, pp. 281, 295) also referred to these barriers when he described the "insuperable advantage of established institutions and the immutability of the university hierarchy".

This discussion strongly suggests that across the OECD, new and emerging institutions face many challenges associated with their status within their national system, their funding and how research is valued within their countries. As the higher education systems, nationally and internationally, become more competitive, barriers to entry are also rising. Experience strongly supports the view that difficulties impeding the growth of research at new and emerging HEIs are not likely to be overcome by conventional means. In other words, without active and selective use of policy instruments, new institutions will find it increasingly difficult if not impossible to over come barriers to entry. Ideally, new institutions need a less competitive and more co-operative or regional educational economy, but that is unlikely. This conclusion arises from the fact that the competitive advantages that older institutions have built up over time are by now very great. Some institutions are better placed than others, due to the value society places on research, the ability to identify and exploit exceptional and niche advantages, the ability to align competence with national/regional strategic goals, access to funding sources and the management of internal

organisational and HR issues. Underpinning these challenges is the gap between the mission of many (new) HEIs and government policy.

Conclusion

Arising from this international study, there is a strong view that if Governments wish to encourage a greater contribution from all HEIs to economic and social development, then Government actions and policy instruments are critical to this process. Actions proposed can be grouped under several headings: 1) enhancing knowledge production as part of regional/spatial strategy; 2) building HE infrastructure to over come late development, and 3) reviewing definitions of research and funding criteria to complement the intellectual and strategic importance of collaborative and interdisciplinary or Mode 2 work (see Gibbons, 1994). Examples of initiatives under these headings are noted in Box 6 below.

Box 6. **Government actions and policy instruments to encourage growth of research in latedevelopers**

Government action/policy instrument	Indicative actions
Enhance knowledge production as part of regional/ spatial strategy.	Increase capacity and competence at sub-national level
	Target grants to build vital linkages between HEIs and region/ community and SMEs.
Build HE infrastructure to overcome late-development.	Provide "head start" grants to enable new HEIs to build infrastructure, *e.g.* laboratories and research libraries.
	Establish targeted funding for staff development and HR strategies.
	Re-examine legislative or other constraints which may impede the operation and development of new universities.
Review definitions of research and funding criteria to complement Mode 2 realities.	Re-examine criteria/rules for competitive research funding to, *inter alia*, embrace a wider definition of research.
	Reward *improvements* in research outputs.

There are challenges, however, also for higher education institutions. Is research an essential mission? If so, for whom? In a more competitive market place, can everyone be involved in research? Can everyone afford to be in research? Can the government afford to have everyone in research? As Governments think much more strategically about research and knowledge production, evidence from this international study suggest that what many HEIs want to do is not necessarily what Governments want. Indeed, many HEIs appear to be pursuing research with or without government "approval". Similarly, there are tensions between staff and their institutions.

The nexus between HE and research has been one of the unwritten rules since Humboldt first conceived the "unity of teaching and research as the centrepiece of his new idea of a university" (Schimank and Winnes, 2000). Since then several models of the relationship have developed, with the French promoting a pre-Humboldtian systemic divide between teaching and research. The debate has become heated in recent decades, with some arguing, *inter alia*, for the coexistence of such activities based upon regional economic dynamics, the public good or the coexistence with teaching, while others argue for their increasing incompatibility based on differences in working conditions/needs and constraints of the public and institutional financial purse. While this debate is not the subject of this paper, or its conclusion, it does suggest that given the strength of external factors, late developers and newcomers, in addition to many more established HEIs, need to place their case much more firmly within public discourse. The case for the indispensable nexus between teaching and research in all HEIs as a public good needs to be proven rather than merely stated. One way that a newer university can begin to articulate this argument is by cogently voicing what type of university it wants to be, and where and how research fits within its mission. It should define what it means by research, and identify and exploit its niche or exceptional advantages based on particular experiences and/or expertise. Can these competences be aligned with national/regional strategic goals? What strategy/structures are required within the HEI to deliver these objectives? Can the HEI afford to be in research? Can it afford not to?

To conclude, this paper seeks to understand strategic management and organizational issues being addressed by individual higher educational institutions in developing research. Drawing on the experiences of this international study, it suggests that the development and encouragement of research is far from direct and unproblematic but involves a number of interrelated factors. Some of these factors may be reproducible while others may be embedded in the institution or society/region, while others may be unique and non-reproducible. As this is a comparative study, examples of good practice strategies and processes were sought to help institutions to more successfully develop their research capacity. While focused primarily on intra-institutional issues, it has also articulated the particular difficulties faced by these institutions given their status as late developers and newcomers. Finally, given the socio-economic and geo-political significance of higher education and research, the study asks questions of both government and the institutions themselves. In this way, the study seeks to provide a useful lens through which to examine the processes and strategies being developed to grow research from a fragile base but also to recommend

some policy instruments and steering mechanisms which can better enable them to do so.

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Notes

1. This article is based on a keynote address given to the New Generation University conference (June 2002), organised by the University of Western Sydney in association with IMHE and ACU.
2. All data in the Boxes and Figures, and all unattributed quotations are drawn from information supplied by participants of the study. Institutional identity has, as promised, been protected.
3. These quotes are taken from comments made by participating HEIs.
4. The "triple helix" is a metaphor for the increasingly complex but central relations between the academy, industry and government. In a recent article, the authors ask whether "the public" can be considered a fourth helix in this framework. See Leydesdorff and Etzkowitz, 2003.

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Other criteria include clarity of expression and thought. *Titles of articles should be as brief as possible.*

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