



# IAU Horizons

## WORLD HIGHER EDUCATION NEWS

## editorial

**A**dding the monthly *IAU E-Bulletin* (available on subscription basis from our website) to our communications instruments, has had consequences for the *IAU Newsletter* and with this issue, we present *IAU Horizons*. It is a new, longer circular that will be produced on a quarterly basis. *IAU Horizons* will contain most of the same sections - the unique and usually unforgettable Counterpoint, the section updating you on IAU past and future activities, News from our Members, the very popular Calendar of Events etc. At the same time, each issue will provide a *tour d'horizon* on a specific topic - a theme. Not competing by any means with IAU's **Higher Education Policy** quarterly journal, where we publish scholars' contributions to the cutting edge of research on higher education, *IAU Horizons* will provide brief articles on specific and narrowly focused topics, each time striving to offer contributions from many perspectives and/or regions. In addition to the articles on the main theme, in each issue of *IAU Horizons*, you will also find a related bibliography to facilitate further reading.

This first issue of *IAU Horizons* deals with a globally debated topic - **financing of higher education**.

Opinions expressed in *IAU Horizons* articles are those of the authors and we may publish readers' comments or reactions in subsequent issues or on the IAU website. Feel free to send your views to [iau@unesco.org](mailto:iau@unesco.org)

Eva Egron-Polak

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## Global Trends in the Funding of Higher Education,

Jandhyala B. G. Tilak \*

**H**igher education has been in crisis. One of the most important aspects of this crisis refers to funding. The recent trends in funding higher education are associated with changing perceptions on the role of higher education. The several basic characteristic features of higher education, such as higher education as a public good, merit good, social investment, and as a human right are getting completely ignored. The long-cherished and well-established role of the State in higher education is being increasingly questioned. In fact, higher education is no more recognised as important for development. It is increasingly being argued that it is primary education and literacy, and not higher education, which matter for development for reduction in poverty, improvement in income distribution and for social and economic development in developing countries. The global campaign on Education for All also led to rather exclusive focus on basic education and to the neglect of higher education, as it is argued that unless developing countries put a cap on the growth of higher education, goals relating to education for all cannot be accomplished. Most importantly, the launching of neo-liberal economic reforms in most developing and developed countries of the world has led to shrinking the public budgets for higher education. The reform policies clearly involved drastic cut in public expenditures across the board, including higher education, necessitating a search for alternative methods of funding higher education.

Against this background, one notices six major trends in funding higher education:

**F**irst, the **decline in the public expenditure** on higher education. Compelled by the economic reform policies some countries on the one hand, and convinced by the rationale of reduced role of the state in funding higher education and of the role of the markets in higher education by others on the other, most countries have deliberately inflicted serious cuts in public budgets for higher education. The resultant fall in public expenditures can be noticed in many countries.

The extent of decline in public expenditure on higher education per student as a percent proportion of gross domestic product per capita during the last decade in a select few countries shows very clearly that (a) the decline is not confined to the developing countries, though a larger number of developing countries experienced the decline than the number of developed countries; there has been a very significant fall even in advanced countries such as United Kingdom, Australia and New Zealand, though on the whole on average higher education in high income countries did not suffer much; and (b) the fall in the ratio is very steep in some of the countries: in Botswana it declined by 73 per cent; by 62 in Jamaica and by above 40 per cent in Hungary and New Zealand.

However, there is no decline in some countries; and in fact, some countries could

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increase the ratio; but it may be noted that in general, the increases are modest. At the same time, in several countries private expenditure on higher education has increased fast, and given the negative, stagnant, or modest increases in public expenditures, the relative share of public expenditure in total (public plus private) expenditure on higher education declined from 65 per cent to 51 per cent in Australia, from 94 per cent to 88 per cent in Sweden and from 97 per cent to 93 per cent in Portugal between 1995 and 2000.

Along with reduction in grants, to reduce the financial commitment, many governments changed their funding systems. The new modes of funding include a variety of mixes, such as 'lump sum' or 'block' grant plus grant based on student enrolments, or block grant plus performance-related grant, or enrolment-related grant plus research grants, or block grant plus incentive grant, or block grant plus matching grant, matching grant to match, e.g., amount of resources generated by the universities through non-conventional measures.

The second major trend in the recent years has been increased efforts on cost recovery through **introduction of tuition fees** in those societies where higher education used to be provided by charging no fees, and increase in fee rates in others where fees already existed. Though earlier a good number of countries used to provide higher education free, now except for a few countries (e.g., Brazil, Sri Lanka, Tanzania and some east and west European countries) a majority of countries charge fees in higher education, some very small nominal amounts, and some reasonably large. Tuition fees were introduced in higher education in China in 1997, which contributed to nearly 13 per cent of the total revenues of higher education in 1999; in Britain in 1998, and in 2001 in Austria. Still in a very few countries such as Sweden and Finland, tuition fees are not allowed in higher education by national constitution. But such countries are very few. Some countries (e.g., India) have also hiked tuition fees selectively to equal the costs, while providing free or subsidized higher education to some or many students. This dual track system of tuition

fees is common now in many countries of the former Soviet Union. This dual track of fees system is able to generate as much as 50 per cent of the total revenue of the universities in the most recent years in Russia. On the whole, steep increases in tuition fees in the recent past have been the common feature in most countries - developing and even in advanced countries such as US. For example, in China, tuition fees increased between 1996 and 1999 at a rate of 40 per cent!

While tuition fees alone may not form a significant proportion of income of the universities, fees that include all kinds of charges collected from students, seem to be accounting for higher and higher proportions. For example, in some public universities in India, corresponding figures are found to be as high as 50-60 per cent, far higher than the prescriptive norm suggested by the UGC Committees which was around 20 per cent. In South Korea and Chile all types of student fees in public universities accounted for nearly 40 per cent of the costs.

Another important method of financing higher education that has become increasingly fashionable and adopted by many countries, is **student loans**. Student loan programs are particularly becoming popular in many countries, though loans as a mechanism of financing of education are also associated with certain inherent weaknesses, apart from poor rates of recovery. Loan as a method of financing of higher education was introduced in recent years in many countries such as China and Thailand where it did not exist earlier, and was revitalized in many other countries where it existed with a view to increase the rates of recovery of loan amounts. Several loan programmes were changed into income-contingent loans (e.g., in Australia and UK). Income contingent loans were also introduced in New Zealand and South Africa; and government-operated loan schemes were replaced by commercial bank-operated loan schemes in India. The fundamental assumption underlying loan programmes is that higher education is not a public good, nor a social merit good, but is a

highly individualized private good, as the mechanism of loans shifts the responsibility of funding higher education from the society to the families, and more importantly within families from the parents to the individual students themselves.

Fourthly, governments began insisting on the public **universities to generate resources from 'third parties' such as corporate sector**. Accordingly, public universities in many countries have developed various kinds of mechanisms of generating funds from the corporate sector by selling their services, mainly consultancy and sale of physical products and patents. Generation of revenues from alumni also comes close to this category, as only those alumni who are well placed in corporate sector

are able to contribute to their alma-mater. Corporate sector also finds it convenient to provide research funds to universities and research institutions, if such projects benefit their business. An increasing reliance on corporate funds by the universities may shift the balance of higher education in favour of those activities where the commercial possibilities are

*“the best method of financing education is financing by the State out of its tax and non-tax revenues.”*

the greatest, finally changing even the very character of higher education institutions. Traditional academic disciplines of study and research give way to market-relevant, resource-generating studies. Reliance on corporate funds may also lead to distortions in research priorities and even the research outcomes.

Fifthly, **privatisation** has become the *mantra* of the day everywhere. Many modes of generation of funds for higher education some of which are described above, do mean privatisation of public higher education. More directly, governments in many countries seem to be increasingly wedded to the neo-liberal philosophy that exemplifies the role of markets in every sphere, and they promote the growth of private higher education institutions, most of which can be described as 'for-profit' institutions. The wave of privatisation of higher education has become so strong that even those higher education systems that were predominantly public,

began to emerge 'predominantly private' in a very short period. For example, in some major states in India, the private higher education institutions have increased in number at such a rate that in certain areas of study, the relative presence of the public higher education institution sector has turned out to be almost invisible.

Lastly, the cuts in public grants to higher education institutions in many countries also forced them to go across the borders in search of finances. Under the name of internationalisation, many universities have been following aggressive policies of attracting foreign students, and the foreign students are charged fees above the costs, so that they cross subsidize the higher education of the native students, if not help in making surpluses. It is unfortunate that even some of the best universities of the world, such as Oxford and Cambridge also seem to be adopting the same approaches, contrary to what they used to do earlier, viz., offering scholarships to foreign students to attract and promote best talent. In the framework of the WTO, many countries find it convenient further to sell cheap higher education degrees to gullible students in developing countries by adopting different modes under the GATS. Universities are fast becoming entrepreneurial institutions both domestically and internationally.

To conclude, the UNESCO World Conference on Higher Education in 1998, the Report of the international Task Force on Higher Education and Society sponsored by the World Bank and the UNESCO (2002) or the World Bank policy paper on higher education (2004) which underscored the importance of public higher education in national development have not made any significant impact on the policies of the governments or of the international development organisations relating to funding higher education, which tend to forget the golden rule in education, viz., *the best method of financing education, including higher education, is financing by the State out of its tax and non-tax revenues.*

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## Money, money, money.

*That universities and indeed all sectors of higher education in their infinite diversity are "challenged" by the demands of funding, finance and money, is one of the greatest truisms of the day. Those bereft of it, seek new supplies. Those swimming in it - rarer by far but not unknown, if only for the barely disguised envy they create - seek ways to retain what they have - and to get more. Appetite comes with cashing in, to traduce a well-exercised French proverb!*

## Risks and Benefits.

*The scramble for endowment capital - the Holy Grail of the Finance Officer remains as energetically pursued as ever it was seven centuries ago. Still, some things have changed betimes. For sheer decency's sake, universities no longer promise to pray - for all eternity - for the benefactor's soul, though whether on grounds of the risk and uncertainty involved in determining the latter's existence, is best passed over on tip toe! More substantial returns are to be had - names on weathered and ancient portals, inscribed in laboratories and on park benches - not to mention those returns - less visible but no less substantial - that bring limitless joy to the hearts of the benefactor's accountants.*

## Ancient Tongues and more ancient Attitudes.

*It was not always thus. Before the days of the Swedish pop group Abba which thirty years or more back had their pockets bulging with the proceeds from the song, appropriately called "Money, Money, Money", (an outstanding example of how the Cargo cult can sometimes succeed) a rather different attitude prevailed. Universities were sufficiently wise in the ways of the world no longer outwardly to subscribe to the more extreme forms of asceticism. Money was no longer the root of all evil - a saying so old that its original version - shrouded in the mists of time - drew on the Latin - a tongue of great antiquity.*

## Contemporary Reductionism

*Today, the dark muttering "Pecunia radix malorum est" is rarely if ever heard. And it is a good thing too. Greater educational opportunity and access to higher learning would, one has to admit, be lost without pecunia, Mammon and the solid coin of the realm. But from there to acting as if what goes on in the groves of academe is limited, shaped, defined and verified with obsessional reference - wholly and solely in keeping with "the bottom line" an expression as demotic as ever one might wish, is surely shoving the pendulum too far in the opposite direction.*

Guy Neave

## Reforms of the Financing of Higher Education in Europe: Powerful Universities, paying Universities?

Cécile Deer \* & Jean Luc de Meulemeester \*\*

In 2000, the European States committed themselves in Lisbon to make Europe “the most competitive knowledge economy in the world” by the year 2010. The Barroso Commission confirmed this commitment by stressing the need to produce goods with high added value in order to compensate the high costs of production. Research and development and education play a central role in this strategy. Since many countries had lagged behind in respect of the Lisbon objectives, the Commission created a new dynamic with employability (in particular of the young) and competitiveness as the buzz words. Universities are called upon to play a key role in training, at the interface between R & D and commercial evolutions.

Subjected to the restated principle of subsidiarity, competences in matters of education and research are still the responsibility of the Member States which did not wait for the European Commission to reform the modes of governance and financing (both being linked) and to launch the convergence process of their systems (Bologna Process). A key goal was to make higher education more aware of the needs of the economy (competences, scientific innovations) and increase its attractiveness in the eyes of the best brains in the world. To encourage the development of vanguard research (with innovations that could be commercialised), public funding sources are more and more conditioned to reach pre-determined objectives. This is how the stakes of the debates on the evaluation of research must be understood. Moreover, the great increase in the number of students since the 1980s went hand in hand with a reduction in public financing per student and public authorities thus increased their power over the universities. At the same time, universities were subjected to other forms of external pressure: demands from citizens, students, employers (European private firms placed in an ever more competitive environment seeking to recruit qualified staff)... hence a diversification of the social, economic and industrial missions. The constant reduction in public funds obliged the universities to diversify their sources of funding (cooperation with the private sector, foundations, personal contributions from students through higher fees...). This strengthened their autonomy and competition amongst them. By the same token, the governance modes of universities came to resemble those of the private sector.

*“The growth of a nation becomes dependent upon the rise in the cumulated educational level of its population, as well as technological innovations and their dissemination.”*

In the last few decades, higher education has been given a key role in the nations' economic dynamism (Californian model). The theoretical arguments of economics organised around the “human capital” are all the more attractive since the European governments, which are subjected to the Maastricht criteria and the decisions of the independent European Central Bank, have little room for manoeuvre. The growth of a nation becomes dependent upon the rise in the cumulated educational level of its population, as well as technological innovations and their dissemination. In one case, one gives priority to the quantitative, in the other one stresses the qualitative, but in both cases education and research will have a central role in economic growth. The reorganisation of the modes and sources of funding is being carried out in function of this logic.

Concerning education, it is the amount, the origin and the destination of the tuition fees that are now at the centre of the debates (see OECD documents on this topic). Funds given by public authorities can be used to incite universities to recruit. Tuition fees paid by the students serve to make them aware of the economic consequences of their choices (whilst bringing forth the question of social equity) and to finance the universities in their competition with the universities on the other side of the Atlantic (recruiting of professors, buildings and equipment...). This is what has been happening in the UK since the end of the 1980s. In Germany, the constitutional court of Karlsruhe (January 2005) has just authorised the German Länder to introduce tuition fees. The question then arises of knowing whether the use of the income from these fees can be left to the discretion of the universities or whether it should be partly re-allocated to the public budget. Whatever the case, private funding, both for research and for education is expected to compensate, in part, the deficiencies of public financing. It is a strategy that is assumed by the political powers because it contributes to the will to strengthen the capacity for autonomy of the universities.

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## Financing of Higher Education in Uganda

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Higher education institutions in Uganda, as in other parts of the world, are faced with the dual pressures of growing demand and dwindling public support. The motives behind the dwindling financial supports from government are many and varied, but linked, and relate to both macro-economic and micro-economic concerns. In Uganda, they include: (1) economic and political crisis; (2) increased importance of the Education for All agenda, which favours spending on basic education over higher education; (3) the rise of neo-liberalism globally, which calls for a reduction in the size and activities of the state on grounds of equity and efficiency and (4) loss of faith in universities as institutions serving the public good.

### Higher Education Structure

The higher education sub-sector in Uganda is made up of universities and other tertiary institutions. This sub-sector consists of both public and private (for-profit and not-for-profit) institutions. Universities offer programs leading to the awarding of diplomas and degrees, whereas other tertiary institutions only award diplomas and certificates. Higher education institutions are governed by the University and Other Tertiary Institutions Act of 2001 (ACT 2001). The National Council of Higher Education (NCHE), which was created as required by the ACT 2001, is an independent body with the mandate to monitor the higher education sub-sector. The higher education sector, though small (gross enrolment ratio is less than 4 percent, and below the average for sub-Saharan Africa), has been growing rapidly in the last few years.

### Financing of Higher Education in Uganda

The Government of Uganda (GOU) employs a sector-wide strategy in the funding of the education sector. Therefore, financing of higher education must be understood in the context of the financing of the whole education sector. Soon after the National Resistance Movement (NRM) government, the current government took over power in 1989, and after years of political and economic strife, embarked on the reform of the education sector. This reform was part of a larger economic recovery program financed by international financial agencies. In a White Paper released by the GOU, in 1991, they indicated their intention to prioritize primary education over other sub-sectors, whilst at the same time encourage public higher education institutions to raise funds from private sources. In the beginning, there was gradual progress being made to shift resources towards primary education, with budget cuts for higher edu-

cation institutions. However, in 1996, during a re-election campaign, President Museveni declared the immediate abolishment of school fees in primary schools, and free Universal Primary Education (UPE) became a key to the re-election campaign. The World Bank and other funding agencies, which were supporting Uganda's economic recovery program, rallied around this UPE initiative.

The heavy involvement of external funding agencies in the UPE initiative led to the development of new modalities for the funding and coordination of the education sector. External funding agencies, in collaboration with the GOU, created the Education Sector Investment Program (ESIP) to assist with the financial challenges that UPE presented. One area in which ESIP has been especially important is in defining and monitoring performance indicators for the education sector, including those pertaining to financing of education. Included in the ESIP performance indicators are targets that detail the minimum percentage of total non-discretionary recurrent government expenditure to be spent on education (31 percent), and the distribution of the education budget among the different education sub-sectors. For the latter, it was agreed that at a minimum 65 percent of the education sector budget, should be allocated to primary education. Between 1998 and 2003, an average of 10 per cent of the total education budget went to the higher education sub-sector. This is a significant reduction from the early nineties when 19 percent of total recurrent education budget went to higher education.

## Resource Allocation among Public Higher Education Institutions

The amount that is allocated to the higher education sector then has to be allocated among four public universities and over 40 other tertiary institutions. The most salient characteristic of the resource allocation process is that there are no set guidelines shaping allocations within the sector. All public universities are required to submit a budget to Parliament; however, the submitted budgets do not appear to influence the allocations approved by Parliament in any significant way. Instead, allocations take into account, but in no consistent manner, the size of the institution, its needs, and its historical allotments. Allocations are made in the form of block grants, and universities have some discretion on how they allocate these funds. For other tertiary institutions, the GOU decides on the number of students that will be sponsored and gives the institution a capitation grant.

The new demand for higher education has mainly been supported by private resources. In the last decade, the GOU has encouraged the growth of private higher education institutions that charge full tuition fees. The number of private universities has grown from 1 in 1989 to over 25 registered universities in 2003. Private institutions rely mostly on tuition and other fees. Some not-for-profit institutions that were created by religious organizations receive some donations from these groups.

In public institutions as well, most students now pay full fees as a result of the introduction of the private entry scheme. This policy, which was instituted in 1992, allows public institutions to admit fee-paying students who pay full tuition fees. This has allowed public universities to also raise significant revenues from private sources. The policy of charging tuition at public universities was made legal with the ACT 2001. At Makerere University, the largest and most reputable university in Uganda, the revenues raised from private sources now exceed funding from government.

Public institutions also seek grants and donations from external funding agencies, and some, like Makerere University, currently enjoy considerable support from these agencies. It is difficult to ascertain the exact amount of that support due to its fragmented nature and lack of adequate tracking, but in the areas of capital development and research support, which are areas that have been neglected by the GOU, external resources have become an important source of funding for some public universities.

## Conclusion

As higher education's share of the education budget declined over the years, revenues from tuition and external funding agencies have become important sources of funding for public institutions. Some institutions do better than others in terms of attracting students and funds from external agencies. Primary education has been the focus of the GOU for the past decade, and higher education has mainly been left to fend for itself. If the GOU is interested in expanding the higher education sector, they will have to come up with more innovative and more targeted financing policies. Loan systems, need-based grants, and other financial aid systems are needed.

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## Latest Developments in Higher Education Financing in Japan

*Fumihiko Maruyama\**

Since the Spring of 2004, each of Japan's 87 national universities has been given an independent corporation status. Before that, national universities were State-owned institutions which had been controlled by the Government for over a hundred years. Both faculty members and administrative staff were civil servants although the former were mainly chosen by peer faculty members. The university's assets were owned by the State and the Ministry of Education allocated to each national university its earmarked budget which had to be spent by the end of the fiscal year.

But this century old system changed last April. National universities have become State's agencies which are still part of the public sector but are expected to be independently managed under the strong leadership of university presidents. Although the Ministry of Education still approves the university's mid-term targets and plans, each university can now set up its own goals. University staff are no longer civil servants, their salaries can be determined by each university, not by the national standard of payment. University assets now legally belong to the university but they are still under the control of the Ministry

The Ministry of Education funds approximately half of the universities' current expenditure as a block grant which is allocated according to the number of academic staff and students. Each university raises the other half of its income from attached hospital revenue, tuition fees, competitive-based project grants, gifts from private donors, research contracts with local governments and private firms, etc. The university can use the funds at its discretion, make surpluses, and carry them over to the following year. A university can set up its tuition fee level up to ten percent higher than the Ministry's designated standard which is about 5,000 US dollars a year, regardless of fields of learning.

Since the Ministry has decided to decrease the amount of block grant by one percent every year in the next few years, each institution must spend less and earn more. To compensate the current decrease, the Ministry tries to expand several types of research funds. One of them is the Subsidies for Scientific Research, which has a

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sixty-year history and amounted to approximately 1.8 billion US dollars in 2004. It has been increased by a 100 million US dollars every year since 1992. The research subsidies, which were offered to researchers in both national and private institutions, are distributed through the process of researchers' application and peer review.

The Ministry has changed its resources allocation policy from one based on the number of staff and students to one that is more competitive and project based. The Centre of Excellence (COE) programme is symbolic in this policy shift which allocates research funds to several core universities in selected fields of study in order to foster and reward world-class institutions.

*“National universities have become State agencies which are still part of the public sector but are expected to be independently managed under the strong leadership of university presidents.”*

The current national university reform seems to go along with what is happening in some European countries: strengthening international competitiveness of both university and economy by using less government money for higher education through a combination of various means; by deregulating the institutional management, by concentrating the authority with the university president, government target-based control through evaluation of achievement, emphasis upon the new public management and accountability for stakeholders.

This university reform aims to enhance the quality of teaching and research, improve institutional responsiveness to social needs, and promote

diversification of universities. The evaluation of the university reform cannot be made yet but one apparent result is a tuition fees hike at national universities. National universities have traditionally contributed to offering higher education opportunities to students from less affluent families by keeping tuition fees low. But some universities have begun to raise these fees to compensate for the decrease of the government block grant.

The Ministry has subsidized private universities, in which more than 70 percent of undergraduate students are enrolled, for nearly thirty years. The amount of public subsidies consists of 12 percent of the total current expenditure of private institutions. These subsidies have also shifted from general block grants to more project based allocations.

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## Dangerous Expansion of University Enrolments in Latin America

Ernesto Schiefelbein\*

In the last 20 years Latin America has used private funding to increase by two gross enrolment rates in tertiary education, but with little increment in the absolute number of academics with training in research at the doctoral level. Moreover the increment in enrolments mainly corresponds to students of the wealthier half of the society.

The average gross enrolment rate in tertiary education for the region is 24%, but some ten countries have now over 30% of gross enrolment rates. However, in average, less than 10% of the university professors have training at the doctoral level and the increment in the number of students from the poorer half of the society is scanty.

Inadequately prepared professors tend to rely on conference-style lecture that force students to take notes so that, eventually, they will be able to repeat the "right answer" in the next (multiple choice) test. These professors try to avoid students' questions as these could be embarrassing for them to answer in an articulated way. In their class there tends to be little attention paid to develop the ability to identify problems, look for suitable approaches and try out alternative solutions.

Most of the increment in tertiary education enrolment has been generated by private universities that now have larger enrolments than public universities in a few countries. Some of those private universities are associated with multinational consortiums that provide materials that can be used by little trained faculty members that ask students to learn definitions and concepts by heart.

The quality of university professors will not improve if present trends are maintained in the next decade. The case of Chile may illustrate the

problem. There are now some 50.000 professors teaching at the university level and only about 8.000 have doctoral training (less than the 20% of university professors with doctoral training in the early 1990s), even though it is one of the highest rates in Latin America according to a Carnegie Foundation report. Each year, some 250 new doctors graduate from some 20 programs of acceptable quality. In the last decade some 10.000 new professors started to work at the university level, but at most some 1200 had the required training. Therefore, the present rate is lower than in the 1990s. The situation in the next decade should deteriorate if present trends are maintained.

*“The strategy is doomed to failure if no attention is paid to preparing future university professors and to reducing present selectivity in primary education by raising the quality of teaching at that level as well”*

Most of the university students belong to families in the upper half of the socio-economic distribution. This process is the result of poor learning in primary education. According to the UNESCO Latin American Laboratory for

Measuring the Quality of Primary Education only half of the 4<sup>th</sup> grade students are able to understand a simple written message of 100 words. Among those who learn to read there are few students of the poorer half of the society. Some of those few students will eventually enter university. In fact household surveys show that few youngsters from the poorer half keep studying beyond the age of 20. On the contrary, most of the young adults of the wealthier half keep studying up to the age of 30 and beyond.

Moreover, many students from wealthy families are admitted to free public universities, while students from poor families must attend fee-paying universities (according to the scores both groups obtain in entrance examinations). Latin American governments traditionally allocated resources to provide free quality university education for youngsters of wealthy families. Less

than 5% of each age group used to attend university in the 1950s (with almost no entrance selection) and with growing demand, enrolments rose to some 10% in the early 1970s. Some countries launched admission tests for selecting students. It seemed a democratic procedure to accept only "good" students. However, only wealthy families were able to "invest" in good secondary fee paying schools and "cram schools" or "jukus" for their children be accepted into good universities. Others countries continue admission for all (to public universities) by lowering standards and, eventually, fee paying private universities were created and their quality increased by training or upgrading the faculty (abroad when necessary).

In summary, private funding has been a successful experience in terms of enrolments, taking place mainly in private institutions. In countries like Chile, Colombia, Paraguay or Peru private investment in tertiary education is similar or larger than public investment. However, the strategy is doomed to failure if no attention is paid to preparing future university professors and to reducing present selectivity in primary education by raising the quality of teaching at that level as well (including teaching materials).

The lack of success stories in education may result in more attention being paid to nice enrolment figures rather than to the assessment or analysis of the ability of graduates to perform in the professional roles they play. Therefore, it is time to carry out a careful review of current university development in Latin America.

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## Current Situation and Prospects for Higher Education Funding in Tunisia

Mohamed Hédi Zaiem \*

**P**ublic resources constitute the main source of higher education funding in Tunisia. In the last two decades, the State has devoted an average of 1.2% of the GNP and 5% of its budget to this sector. This share of the budget increased in the last few years, following a decrease in the 1980s. Today, with some 2% of the share of the GNP devoted to higher education, this figure is one of the highest in the world. This expresses the country's major efforts to improve access to higher education. Tunisia is also one of the rare countries where access is open to all holders of the *baccalauréat* without exception. The growth in university student numbers has also been considerable in the last 20 years. In 2004, there were 322,000 students in the public sector, as compared to 96,000 ten years ago. As a result of this growth, the participation rate of the 20 to 24 year-olds, which was very low, developed considerably, growing from 5.5% in 1987 to 33.3% in 2004. The rapid growth of the higher education sector will continue in the next few years. Forecasts show that the number of students will reach or exceed 360,000 in 2006 and probably 500,000 in 2010. These numbers are then expected to drop.

As a consequence, all the studies carried out show that, even in the most optimistic scenarios, i.e. the continuation of strong economic growth in real terms and a continued commitment of the State to finance higher education, public resources will not be enough to meet the needs for funding in the higher education sector.

Several measures have been taken to improve funding. A substantial re-evaluation of the citizens' share in the costs of training has been carried out over the last few years. But it is still very modest, since it only represents 2% to 3% of the total expenditure.

Great efforts have been made in favour of the development of the private education sector and services (accommodation and catering). A legal framework has been elaborated (Law of July 2000) and a series of measures has been announced to encourage private investment in higher education (tax exemptions, investment premiums of up to 25%, payment of part of the salaries of permanent teachers...). This framework led to the creation of a large number of private higher education institutions but was not followed by a high level of enrolments in this sector (less than 1%). The fact that this part of the sector is recent and its credibility has not yet been firmly established are important factors, but the fact that public education is free of charge makes competition even more difficult. In the short and even medium term, one cannot expect that this sector will contribute significantly to reducing the pressure on the public sector.

Moreover, a reform of the student loan system was introduced in the 1999-2000 academic year in view of a more efficient intervention of the State, especially concerning the management of loans and scholarships. In the past, these loans were allocated by the Ministry of Higher Education, which, despite undeniable services rendered, has few instruments for this kind of operation, especially in matters of follow-up and loans reimbursements. These loans are now allocated with better financial conditions by the Social Security and the banking system. This will gradually ease the pressure on State finances and increase the benefits of loans to those social

classes that were not entitled to them before. It must be noted that the cof-fers of the Social Security allocated some 40,000 loans in the course of the last academic year.

Despite this, analyses show that it will not be possible to avoid a revision of the modes of the citizens' contribution to education.

### Prospects

• **Education has been the main vector of social mobility since the country's independence. This mobility was the main engine of the dynamism and stability of independent Tunisia.** Anxious to preserve this dynamism and stability, the Government has always taken care to put higher education within reach of all the social classes and will continue to do so. Hence, it will make sure that financial issues will never be an obstacle to university access, especially for those from the poorer and middle classes. By granting funding facilities, be they reimbursable or not, the government contributes to preserving equal opportunities. The problem of the global efficiency of the State's actions arises because of the many actions to be carried out.

Here, the following principles are observed in all changes in the funding policy:

- There must be no supplementary charge for poorer and middle class families;
- Access to higher education must remain independent of social conditions. More especially, the choice of studies must remain in line with students' aptitudes and results and not with the ability to pay.

• **Appropriate formulae that respect these basic political choices and that allow for a greater contribution of the citizens to the costs of education must be sought.** They must be the object of careful preliminary studies and broad communication involving all the stakeholders concerned. It is thus that greater access and better quality will be ensured in order to make higher education the instrument of Tunisia's access to the knowledge economy.

The following aspects are being studied:

- **Development of the loan system** in such a way as to enable greater access to private higher education, but also helping to re-evaluate the students' contribution to the costs of education and university benefit schemes without entailing supplementary costs for the families.
- Concerning the management of loans and bursaries, one must **encourage the allocation of loans and reduce the number of bursaries.** Moreover, it is indispensable to better target student bursaries for those who need them. Scholarships must only be allocated in cases of real proven needs. Given the limited means, this targeting can only improve the global returns of public funds.
- **Improve the management framework** in order to help higher education and research institutions to develop their own resources that come from an opening on their environment is needed.

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“analyses show that it will not be possible to avoid a revision of the modes of the citizens' contribution to education”

# Higher Education Funding in the Netherlands: Recent Developments

Ben Jongbloed \*

## Introduction

Mark Rutte, the Assistant Secretary of State for Higher Education in the Netherlands since June 2004, seems to waste no time in launching new ideas and publishing policy papers that - if accepted by Parliament - will thoroughly reshape the Dutch higher education landscape. The Dutch plans closely follow the examples of Australia and the United Kingdom, where supply and demand for higher education are allowed to be ruled increasingly by market-type mechanisms. Let us take a closer look at the plans.

## Recent History

Before taking a look at the future, it is good to know where one is coming from. In 1985, the white paper *Higher Education: Autonomy and Quality* introduced the concept of 'steering from a distance' and argued that the national government should fulfil a facilitating role instead of trying to plan the system from the top by detailed regulation. The higher education (HE) providers were given a large degree of autonomy and responsibility. Although the paper also contained far-reaching ideas about demand-driven funding of HE, the 1993 *Higher Education and Research Act* that followed made no mention of vouchers for the funding of universities and other institutions of higher education (the Dutch "hogescholen").

The Act included the outline of funding mechanism. Funding was *supply-driven*, with HEIs receiving grants for education and research on the basis of a formula including fixed and variable components. For their education activity, HEIs were funded to a large extent on the basis of *outputs*, that is: graduation rates (hogescholen) and first degrees (universities). Core funding for academic research, however, was largely based on historical considerations - its roots lying in an agreed upon number of academic staff. This is known as the *strategic research component*, and its value differs across universities. Plans to reallocate this component across universities based on the out-

come of assessments of research performance and societal needs were never realised. The component remained a static one. Universities successfully resisted all government attempts to make it more dynamic.

## The Reform Plans

Apart from some minor changes in the funding models the basic characteristics of the funding models remained the same until now (2005). However, all of this is going to change if Parliament accepts the recently announced plans (the 2004 policy paper "More flexibility, more freedom of choice, more quality: funding in higher education" see:

[www.minocw.nl/brief2k2004/doc/49422a.pdf](http://www.minocw.nl/brief2k2004/doc/49422a.pdf)).

A number of small-scale decentralisation experiments preceded the plans. One policy experiment allowed HEIs to fill part of the student places in medical programs on the basis of intake interviews. In another experiment, some HE Institutions were allowed to select their students and set their own tuition fee rates for programs that deliver "extra added value" compared to other programmes in the field.

The goal of the reform plans is to transform the HE system into a more differentiated and market-driven system where students and institutions have more freedom and more responsibility when it comes to making decisions. Economic and social developments, it is argued, call for a more flexible HE system. A system of

*learning entitlements* will be introduced from 2007 on. Each student will receive a fixed amount of learning entitlements, which he/she can use freely to "buy education". The learning entitlements enable a student to complete one bachelor and one master's programme. However, they should do so observing time constraints - they cannot continue the current practice of extending their time to degree. Students that run out of vouchers will have to pay higher tuition fees. The system of student support will continue to provide grants and

loans, but loans will also be made available to students ('Australia-style') to help them pay tuition fees - hopefully reducing the practice of taking up jobs while studying.

HEIs will receive public funding on the basis of their enrolment of students with learning entitlements. This demand-driven system is supposed to turn students into critical consumers and HEIs into responsive providers, offering quality and in-demand programmes, often tailor-made. The idea is that competition will enhance efficiency and quality. On top of that, funding will partly be based on the number of degrees. A system of *performance contracts* and a system of *performance benchmarks* to increase transparency and accountability will trigger HEIs to "deliver the goods".

Following the example of Finland, an *Innovation Platform* was installed. Part of the tasks of this advisory body is to make proposals for reducing the time it takes for academic research to find its way into practical applications. This is known as 'research valorisation' and one of the instruments proposed is the so-called SMART mix. It rewards universities on the basis of their performance in terms of winning competitive research council contracts and contracts with businesses. Whether a UK-style research assessment system will take the place of the fixed strategic research components is still under discussion.

## The Future

In short, the name of the game is "the market". On top of that, signs indicate that a new HE law under construction will transform HE institutions into *private bodies* subject to private law - free to engage in various sorts of entrepreneurial behaviour and collaborations with businesses. It remains to be seen whether access, quality and efficiency in HE can be sufficiently protected in a demand-driven system and increasingly business-like HEIs. Can a smart combination of accreditation and the power of the purse protect students' interests well enough or should government assume more responsibility?

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## Recent Tendencies in Higher Education Financing: the Case of Mexico

Axel Didriksson \*

Despite the excessive growth of private schools during the last ten years most of which have low quality standards and are highly profit oriented, the prevailing form of financing on the Mexican National System of Higher Education is that oriented to public institutions. This is the reason why the public Higher Education Institutions have and maintain a high level of social demand, 70% at undergraduate, as well as at graduate level (90%). In addition, these public institutions constitute the main contribution to scientific and technological research, as well as to the development of cultural and humanistic diffusion of knowledge. They also stand out for their organizational complexity.

The overall system, however, is socially segmented and scarcely diversified, given the existent institutional division that places certain institutions (both public and private) in direct relation to the socio-economic characteristics of the students, and more in line with their income rather than their intellectual, cultural or technical capabilities. This is the reason why the quality of the national system of higher education is changeable and heterogeneous, and is focused on some few elite private institutions and on the big public institutions in Mexico (mainly on the ten Mexican macro universities).

By the year 2000, Mexico had devoted 5.5% of the Gross Domestic Product to education. This is similar to the average in other OECD (Organization for Economic Cooperation and Development) members, but it remained below many countries with regard to the money spent on higher education (0.4 % of the GDP). From

the year 2000 to this day, spending on higher education has become stagnant, with the exception of a slight increase approved by the Congress for 2005.

The major financial effort towards higher education comes from public funding (both federal and State), and some public funds are allocated to private schools, by means of supports to graduate programs, technical infrastructure and research projects, or in the form of scholarships and indirect subsidies. The public Higher Education Institutions are generating between 15 and 20 % of their own income.

*“The major financial effort towards higher education comes from public funding (both federal and State), and some public funds are allocated to private schools, by means of supports to graduate programs, technical infrastructure and research projects, or in the form of scholarships and indirect subsidies.”*

The predominant model for the allocation of public funds to higher education in Mexico is based on annual negotiations, which are based on a scheme of historical increments, in light of different indicators such as the number of students, teachers or researchers, the size of the institution, but not on performance, quality, or the institution's organizational capacity to innovate or change. These elements may influence the negotiation ability of rectors to get extra-budgetary resources that are discretionally distributed by the government itself.

These extra-budgetary resources are managed by means of programs and project-contracts such as: Integral Program for Institutional Strengthening (PIFI\*\*), the one oriented to strengthening graduate programs (PIFOP\*\*), and the Multiple Contribution Fund (FAM\*\*). There are other programs in addition to these, oriented to invigorate the financing of higher education institutions, although none of those

are integrated into the budget; in other words, these resources are not bound to be a regular increase.

For the fiscal year 2005, Congress amended the proposal sent by the president of the Republic, and increased, though slightly, (0.2%) the higher education budget. In this case, as it also happened in 2002 and 2004, the relative growth of the resources assigned to higher education can be justified by the influence of the public Higher Education Institutions themselves exercised on the Congress, rather than because of a change in policy on the part of the Executive.

All in all, public universities in Mexico are committed to make profound changes on their structures, their academic and educative components, and they are pursuing these changes despite the financial stagnation experienced in Mexico during the last years. It is also true that such institutions now also face conditional and often bureaucratic orientation with which they negotiate the additional resources devoted by the government to many of its strategic programs.

Up until now, autonomous and public universities in the country have been financially dependent on the government. The concept of belonging to or being part of the State, however, had not been considered as part of their nature, or as a constitutive part of their identity or their history. This, however, is now part of a debate about purposes and responsibilities, but also about rights, and social and economic pertinence of universities in their national and international contexts, and emerges as a fundamental component of the development strategies for building their future.

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*\*\* acronym of the Spanish titles*

### Next Issue of IAU Horizons

The next issue of IAU Horizons will be dedicated to **the reconstruction of higher education systems after conflict or natural disaster**. This issue, to be published in June 2005, will offer articles on regions in South East Asia recently affected by the Tsunami as well as examples from countries that required reconstruction due to conflict (possibly Kosovo, Mozambique, Iraq, Afghanistan and East Timor). Should you wish to submit an article on this topic, please contact Hilligje Van't Land ([vantland.iau@unesco.org](mailto:vantland.iau@unesco.org)).

## 68<sup>th</sup> IAU Administrative Board Meeting

Paris, France, 3-4 December 2004

Members of the newly elected Administrative Board (see *IAU Newsletter* vol. 10 n° 5) met for the first time in Paris for the 68<sup>th</sup> IAU Administrative Board Meeting, last December.

This meeting was the occasion to **elect and confirm the IAU Vice-Presidents and the Treasurer and to appoint the Members of the Finance and Membership Committees.**

The *Executive Committee* is now composed of the IAU President, Goolam Mohamedbhai and IAU Vice-Presidents as follows: Juan Ramón de la Fuente, Luc Weber (also acting as Treasurer), Madeleine Green (representing the Member Organisations), and Deepak Nayyar.

The *Finance Committee*, chaired by Luc Weber is composed of Brenda Gourley, Istvan Teplan and Abdullah Al-Faisal. The *Membership Committee*, chaired by Millicent Poole, is composed of Saiyid Nazir Ahmad, Peter Englert, Zixin Hou, Akilagpa Sawyerr and Ivan Wilhelm.

The **IAU thematic priorities** and future actions were discussed and it was agreed that current activities and projects in the areas of Sustainable Development, Intercultural Learning and Dialogue and Internationalisation respectively, would be pursued. Also several new projects were considered. The Board agreed to undertake a review of the membership fees of the Association, keeping in mind the current proportion represented by revenues from fees within the overall budget. In addition, a review of IAU publications will be initiated in the upcoming year.

The Board members also discussed the tentative plans for **future meetings and conferences** of the Association in the coming years, approving in principle to hold conferences and Board meetings in Alexandria, Egypt in November 2005, co-hosted by Bibliotheca Alexandrina and the Arab Academy for Science, Technology and Maritime Transport; in Beijing, China in 2006, co-hosted by Nankai University and the State Ministry of Education, and in Utrecht, the Netherlands for the General Conference in 2008, hosted by Utrecht University.

Several applications for membership were reviewed and the Board was pleased to recommend nine institutions and one organisation to be admitted as Members.

The next meeting of the IAU Administrative Board will take place on 12 and 13 November 2005 at the Bibliotheca Alexandrina, in Egypt, prior to the event mentioned below.

## New Policy Statement on Sharing Quality Higher Education Across Borders

IAU is known for elaborating Policy Statements in an effort to represent the interests of its membership and higher education leaders more generally. The title of the latest such Statement is **Sharing Quality Higher Education Across Borders: a Statement on behalf of Higher Education Institutions Worldwide.**

In a nutshell, this Statement argues that for cross-border education, and most specifically for the fastest growing aspects, which tend to be of a commercial nature, to be of the greatest benefit, it must be developed and delivered according to a number of principles and abide by some agreed-upon rules. Furthermore, it underlines that these rules need to be couched within policy frameworks built in dialogue among various stakeholders rather than simply letting the market prevail. The Statement is addressed primarily to higher education institutions and governments, urging each group to act according to the principles proposed.

The authors viewed their effort as part of a dynamic process of continuous debate at all levels - institutional, national and international. Preparing the Statement, was a joint effort by IAU, the American Council on Education (ACE), the Association of Universities and Colleges of Canada (AUCC) and the Council for Higher Education Accreditation (CHEA). A draft had been circulated widely earlier in 2004 and the final version, which has been revised to reflect the comments and feedback received, is now gathering signatures from other regional and national associations. In addition to the initial drafting group, when this issue of **IAU Horizons** was being prepared the Association of African Universities (AAU), the Association of Universities in the Netherlands (VSNU) and the Conférence des Grandes Ecoles, France have already adopted the Statement. Several other associations' governing bodies will discuss it at their upcoming meeting. For the full Statement and current list of signatories, please see:

[www.unesco.org/iau/p\\_statements/index.html](http://www.unesco.org/iau/p_statements/index.html)

## Global Meeting of Associations of Higher Education Institutions and International Conference on Sharing Quality Higher Education Across Borders

Alexandria, Egypt, 14-16 November 2005



Hosted by the Bibliotheca Alexandrina and the Arab Academy of Science, Technology and Maritime Transport in Egypt, the International Association of Universities (IAU) will organize a **first global Meeting of Associations** gathering national, regional and international associations of universities to debate cross-border education and to envisage possible strategies and actions to implement the principles and recommendations of the policy Statement *Sharing Quality Higher Education Across Borders* elaborated by IAU, AUCC, ACE and CHEA.

An **International Conference on Cross-border education and Internationalisation of higher education** will follow immediately for all university and other institutional leaders to discuss institutional strategies related to cross-border education as an important and growing aspect of internationalisation of higher education.

More information (programme, registration forms, fees and hotel information) for both events will be available and updated regularly on the IAU website ([www.unesco.org/iau](http://www.unesco.org/iau).)

# IAU Academic Sector Information Clearinghouse in support of the Higher Education Institutions in the Tsunami-affected area

Reacting to the tragedy of the 26 December 2004 Tsunami and earthquake, IAU opened an information clearinghouse on its website ([www.unesco.org/iau/info\\_tsunamilindex.html](http://www.unesco.org/iau/info_tsunamilindex.html)), offering all higher education institutions a platform for sharing information on initiatives undertaken, proposals of support and needs to be fulfilled. The Secretary General, in consultation with the President and Board members wrote to all higher education institutions in the affected region to encourage them to use this clearinghouse to solicit support.

By logging on to the clearinghouse web site, you will be informed of the actions undertaken by the higher education institutions of the Tsunami-affected area, which from the very first day of the disaster reacted by sending medical teams, setting up telephone inquiry services, offering interpreters, and which are now already thinking about rehabilitation and prevention methods. You will also be informed of proposals of support of higher education institutions from other areas of the world, showing the solidarity of the academic sector. Links to programmes and

projects of other institutions or associations of the education sector are also provided. The website is not closed; we wish it to be dynamic and to follow the evolution of higher education needs over time. In this respect, we count on you, the higher education institutions, academic organizations or associations, to provide the clearinghouse with information about your needs, initiatives and projects. Please send your messages to [centre.iau@unesco.org](mailto:centre.iau@unesco.org). We also hope that this clearinghouse may help IAU identify and develop projects in partnership with the international academic community.

We note in particular how local universities organized quickly to provide assistance to the best of their ability in the hardest hit regions. Also we especially thank the Mykolo Romerio Universitetas, in Lithuania, the People's Friendship University of Russia, the Islamic University of Technology, in Bangladesh, and Notre Dame University-Louaize, in Lebanon for being among the first to offer scholarships to students from the affected region.

## Higher Education and Sustainable Development

In early December IAU organised a **GHESP meeting** in Paris. This meeting marked the rotation of the Chair of GHESP from Copernicus-Campus to University Leaders For a Sustainable Future (ULSF). While the meeting offered the opportunity to update all partners on on-going activities, it focused more specifically on the future development of the GHESP Resources Project (see: [www.unesco.org/iau/sdlsd\\_ghesp.html](http://www.unesco.org/iau/sdlsd_ghesp.html)). It was decided that the Partnership would concentrate on the development of the project and a related fundraising strategy was defined. The Resources Project, being a major contribution of the GHESP Partnership to the UN Decade, will be developed over the course of the next ten years. In Paris, GHESP partners also met with UNESCO representatives working on Sustainable Development to present the Resource Project to them. For information on the Decade and related UNESCO initiatives, please visit: [http://portal.unesco.org/education/en/ev.php-URL\\_ID=38027&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/education/en/ev.php-URL_ID=38027&URL_DO=DO_TOPIC&URL_SECTION=201.html)

IAU participated in the **Swiss National Forum "Preparing the United Nations Decade (2005-2014)"** which took place at the University of Geneva, on January 29, 2005. Hilligje van 't Land, IAU Senior Programme Manager, chaired a Round Table on "The Bologna Process, Reform in Higher Education and the Integration of Sustainable Development Principles." This Forum forms part of the many initiatives taking place around the world to mobilise and sensitize the higher education community about sustainable development issues in the context of the United Nations Decade of Education for Sustainable Development Decade. The Forum was organised by Geduc ([www.geduc.org/home/](http://www.geduc.org/home/)) a University of Geneva student initiative. The Round Table discussed

several higher education actions undertaken in Europe such as courses, programs and diplomas, the difficulty faced by higher education leaders, professors and students when integrating sustainable development into the curricula. It also addressed the issue of relevance of such diplomas for the job market. Reports and other documents will be posted online at: [www.nationalforum.ch](http://www.nationalforum.ch).

### The official launch of United Nations Decade of Education for Sustainable Development (UNDESD) took place at



the UN Headquarters in New York, on March 1, 2005. UNESCO is the lead agency for the Decade. In conjunction with the ceremony, a Round Table of experts has worked to identify the key issues in the implementation of DESD. Prof. Hans van Ginkel, the Association's immediate past President and rector of UNU has been attending and IAU was also represented through GHESP.

GHESP, through Copernicus-Campus, is involved in the organization of **Committing Higher Education to Sustainable Development** ([www.uni-graz.at/sustainability/](http://www.uni-graz.at/sustainability/)) a conference that marks the official launch of the UNDESD in Higher Education.

University Leaders for a Sustainable Future (ULSF), the current GHESP Chair, will represent the different partners at this event which will take place in Graz, Austria on 20-23 April 2005.

## IAU electronic bulletin

Since November 2004, IAU offers a new service: a monthly electronic information bulletin on higher education worldwide. The **IAU E-Bulletin** is published on the first day of each month and consists of news in brief related to the interests of the Association and the life of higher education institutions. The aims of the **IAU E-Bulletin** are threefold: disseminate the information on IAU actions, activities and services; offer an easy access to diverse information published on the Internet especially related to ongoing reforms in higher education and let the readership respond to a question of general higher education interest each month.

The **IAU E-Bulletin** is an interactive communication tool for the IAU membership but can serve as well others interested in higher education. It is sent systematically to all IAU members - who can unsubscribe if they so wish by logging on to the IAU website - and, on voluntary subscription basis (see the IAU website) for all others. It is currently disseminated to more than 1,200 subscribers and is published both in English and French. Your comments or suggestions for improvement are most welcome at: [centre.iau@unesco.org](mailto:centre.iau@unesco.org).

## IAU participates in international conferences



United Nations Educational,  
Scientific and Cultural Organization

## UNESCO/OECD Meeting on Guidelines for the Quality Provision in Cross-border Education

Paris, 17-18 January 2005

IAU President, Goolam Mohamedbhai and IAU Secretary-General, Eva Egron-Polak, took part in the third and final drafting meeting organized jointly by UNESCO and OECD to prepare guidelines for the Quality Provision in Cross-border Education. This meeting was held in Paris on 17 and 18 January 2005. Presented as an instrument to protect students from poor quality or even fraudulent higher education being offered across borders, the process to elaborate these Joint Guidelines was co-chaired by Mala Singh of the Council on Higher Education in South Africa and Jan Levy, Director General of the Ministry of Higher Education of Norway. It is expected that these guidelines will be adopted, as non binding guidelines, by both inter-governmental organizations during the course of 2005. The most recent draft of the guidelines is available on both UNESCO and OECD websites.

IAU has been a constructive contributor to the process, urging UNESCO and OECD to adopt a broader concept of quality in the Guidelines, thus allowing the notions of relevance and specificity related to the local context, to be taken into account. Being engaged in drafting a Statement on similar issues on behalf of institutions of higher education worldwide, IAU has consistently drawn attention of the two inter-governmental organizations to this complementary process and most particularly to the principles that are the cornerstone of the Statement. (see: [www.unesco.org/iau/p\\_statements/index.html](http://www.unesco.org/iau/p_statements/index.html)). We are pleased that the two documents (Guidelines and Statement) are cross-referenced, allowing readers to become familiar with both, while noting their different but complementary nature.

A last, but very important reason for IAU's on-going involvement in this UNESCO-OECD initiative is the fact that, in parallel to the elaboration of the Guidelines, a discussion and effort to design a new international information tool has been initiated by the two organizations. As the editor of the most comprehensive reference books and information databases in this field, IAU is fully engaged in this process alongside other experts and national data providers.

# IAU participates in international conferences

## Revitalising Higher Education in Iraq

In the context of UNESCO's efforts to contribute to and promote the revitalisation of the higher education system in Iraq and with support from the "International Fund for Higher Education in Iraq" initiated by Her Highness the First Lady of Qatar, UNESCO held a **Round Table on the Revitalisation of Higher Education in Iraq**, at its headquarters in Paris on 22-23 February 2005.

Coordinated by the UNESCO Division of Higher Education, this two-day Round Table was divided into a series of Working Sessions designed to learn more about current development in higher education and research in Iraq as well as to explore possible mechanisms and strategies to meet the revitalisation needs at various levels of the system.

It was expected that the Round Table would stimulate commitment of additional resources in support of higher education in Iraq and by building a network of core partners willing to work with UNESCO. This meeting would also allow for a coordinated approach to international actions, thus ensuring that projects and initiatives build upon one another and avoid duplication in support of the Iraqi higher education strategy in the short and medium term.

UNESCO wishes to build international partnerships in support of higher education in Iraq and to provide initiatives that it will lead with a strong institutional and academic dimension for sustained cooperation. IAU was invited by UNESCO to assist in the overall organisation of this event and expects to contribute to activities identified for the follow-up. More information on the outcomes of this event will be provided on the IAU website.

Background documents already available include: *Iraq: Education in Transition, Needs and Challenges*, UNESCO, Division of Educational Policies and Strategies, 2004. ([www.unesco.org/education/iraq/na\\_13jan2005.pdf](http://www.unesco.org/education/iraq/na_13jan2005.pdf))



## Membership News

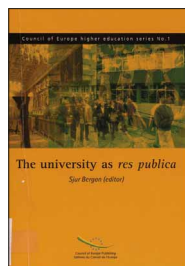
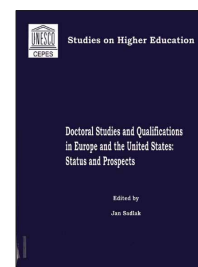
### IAU welcomes 20 new Members from 14 Countries

- **as new Members:** [University of Andorra](#), [Allahabad Agricultural Institute-Deemed University](#), India, [University of Insubria](#), Italy, [Notre Dame Seishin University](#), Japan, [LN Gumilyov Eurasian National University](#), Kazakhstan, [Lusiada University](#), Portugal, [Baskent University](#), [Istanbul Bilgi Universitesi](#), Turkey, [Vinnytsia National Technical University](#), [Luhansk Taras Shevchenko National Pedagogical University](#), Ukraine.
- **as rejoined Members:** [the University of Southern Queensland](#), Australia, [Bratsk State Technical University](#), Russia, and [King Abdulaziz University](#), Saudi Arabia.
- **as Affiliates:** [Canadian Information Centre for International Credentials](#), Canada, [Bibliotheca Alexandrina](#), Egypt, [Magna Charta Observatory](#), Italy, [Institute of International Education](#), U.S.A.
- **as Associates:** [Dr. H. Ian Macdonald](#), Canada, [Dr. Hassan Mekouar](#), Morocco, [Dr. Bill Allaway](#), U.S.A.

## Doctoral Studies and Qualifications in Europe and the United States: Status and prospects

Sadlak, Jan; Ed. / UNESCO European Centre for Higher Education [CEPES][Romania].-- Bucharest, 2004. 302 p. (Studies on Higher Education) ISBN: 92-9069-179-4

This volume provides a comprehensive and up-to-date information on principal developments regarding Doctoral and post-Doctoral programmes in the Europe Region. The book will prove an essential reference for discussions concerning the modernization of this area of higher education and, needless to say, this question is vital to the future of higher education and science. Who is and will be engaged in teaching and research, the twin pillars of higher education in the future? Both have direct bearing not only on higher education and science but, not to a lesser extent, on technological and cultural advancement.



## The University as 'Res Publica': Higher Education Governance, Student Participation and the University as a Site of Citizenship

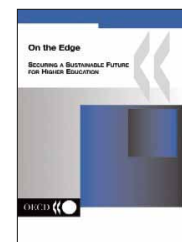
Bergan, Sjur; Ed. / Council of Europe. Strasbourg, 2004. 170 p. (Higher Education Series) ISBN: 92-871-5515-1

The book brings together various aspects of the role of the university as a site of democratic citizenship, ranging from student participation in higher education to higher education institutions as actors in democratic society. The articles outline how teaching and practice within the university impact on the development and maintenance of democratic culture in the larger society.

## On The Edge. Securing a Sustainable Future for Higher Education

Report of OECD/IMHE-HEFCE Project on Financial Management and Governance of Higher Education Institutions. / OECD.-- Paris, 2004. 72 p. ISBN: 92-64-10821-1

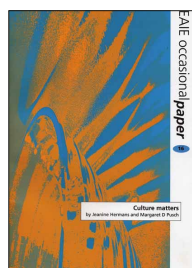
As higher education has grown and state funding has been constrained, the financial sustainability of institutions of higher education has become an issue for policy makers and for those who govern and manage these institutions. The challenge for governments is to ensure that increasingly autonomous institutions respond to public interest agendas while taking a greater responsibility for their own financial sustainability. The challenge for institutions is to manage an increasingly complex portfolio of aims and funding. This report examines issues of national policy, institutional management and the conditions needed to secure financial sustainability for the future.



## Culture Matters: An International Educational Perspective

Hermans, Jeanine; Pusch, Margaret D. / European Association for International Education [EAIE].-- Amsterdam, 2004. 72 p. (EAIE Occasional Paper) ISBN: 90-74721-20-6

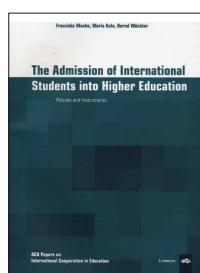
Understanding that all behavior lies within a context and that context is the culture in which we were raised is a major step toward becoming committed to culture learning and toward becoming an international educator who is interculturally competent. This Occasional Paper is intended to be practical but also to provide a theoretical framework within which to organize and understand the intercultural experience, especially as it applies to international education. It can therefore be useful in any situation where culturally different people come together and can contribute to a broader understanding of how we can contribute to international education.



## University Research Management: Meeting the Institutional Challenge

Connell, Helen / OECD.-- Paris, 2004. 258 p. ISBN: 92-64-01743-7

University authorities are showing a keen and growing interest in the overall research profile and research capacity of their institutions, and are seeking best ways to manage research as an essential or even the key function of the institution. Research policies and the management of research are posing serious challenges. Accordingly, in 2000, the OECD/IMHE established the present project to analyse institutional responses to these challenges, and draw together findings and ideas from current experience at universities in Australia; Brazil; Portugal; Germany; Belgium; Turkey; Malaysia; and Ireland.



## The Admission of International Students into Higher Education: Policies and Instruments

Muche, Franziska; Kelo, Maria; Wächter, Bernd / Academic Cooperation Association [ACA].-- Bonn, Lemmens Verlags-Mediengesellschaft, 2004. 175 p. (ACA Papers on International Cooperation in Education) ISBN: 3-932306-62-7

The increasing internationalisation of higher education has made international student admission a major concern for higher education institutions. This publication presents policies and instruments developed in Australia, France, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States in order to identify good practice models in this domain.

# Calendar of Events

## 2005

- March**      **07-11**    *NEPAD, Pan African University, Lagos, Nigeria, First African Regional Workshop on Building Capacities in Technological Entrepreneurship in Higher Education Institutions*
- 31-02 April**    *EUA, University of Strathclyde, University of Glasgow and Glasgow Caledonian University Glasgow, United Kingdom, EUA 3rd Convention of European Higher Education Institutions: Strong Universities for Europe - [www.eua.be](http://www.eua.be)*
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- April**        **08-10**    *AFEC, Budapest, Hungary, Student migrations, training the élites and modernisation of the Nation-States  
Contact: [karadyv@ceu.hu](mailto:karadyv@ceu.hu)*
- 13-14**    *Islamic Azad University Tehran, Iran, First International Congress on Production of Science, Software and Free Thinking Movement - [www.iaiau.org](http://www.iaiau.org)*
- 15-16**    *Katholieke Universiteit Leuven, Belgium, The future of social services for students  
[www.kuleuven.ac.be/congres](http://www.kuleuven.ac.be/congres)*
- 28-29**    *New York University, United States, Global Strategies for Defending Academic Freedom  
<http://scholarsatrisk.nyu.edu/conference.html>*
- 
- May**         **09-10**    *Nuffic, Rotterdam, The Netherlands, Internationalization at Home - a global perspective - [www.nuffic.nl](http://www.nuffic.nl)*
- 09-15**    *OECD/ China National Institute for Education Research, Beijing, China. Conference on "Money, Mission, Management" OCDE Program on Institutional Management in Higher Education (IMHE) and China National Institute for Education Research. Education - [www.oecd.org/document/50/0,2340,en\\_2649\\_34525\\_2492338\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/50/0,2340,en_2649_34525_2492338_1_1_1_1,00.html)*
- 19-20**    *Bergen, Norway, Towards the European Higher Education Area: From Berlin to Bergen - [www.bologna-bergen2005.no](http://www.bologna-bergen2005.no)*
- 20-21**    *Eurodocs, Rokkan Centre, Bergen, Norway, Second International Eurodocs Conference: Transformations of Higher Education and Research Policies, Systems and Institutions in European Countries - Contact: [ivar.bleiklie@rokkauib.no](mailto:ivar.bleiklie@rokkauib.no)*
- 20-21**    *AUF, Phnom Penh, Cambodia, AUF General Assembly - [www.auf.org](http://www.auf.org)*
- 30-31**    *Comparative Education Society of Asia (CESA), Universiti Kebangsaan Malaysia, Bangi Selangor, Education for World Peace - [www.ukm.my/cesa2005](http://www.ukm.my/cesa2005)*
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- June**        **12-14**    *ACA, Stockholm, Sweden, Impacts of Mobility: the lasting effects of international mobility on individuals  
[www.aca-secretariat.be](http://www.aca-secretariat.be)*
- 24-25**    *OECD, Trento, Italy, Fostering Entrepreneurship: The Role of Higher Education - [www.oecd.org](http://www.oecd.org)*
- 
- July**         **03-06**    *HERDSA, Sydney, Australia, Higher Education Research and Development Society of Australasia (HERDSA) 2005 International Conference: Higher Education in a Changing World  
[www.herdsa.org.au](http://www.herdsa.org.au)*
- 04-07**    *University of Mauritius, University of Stellenbosch, Cape Town, South Africa, ICOOL 2005: 2nd International Conference on Open and Online Learning - <http://vcampus.uom.ac.mu/icool2005/call.php>*
- 10-15**    *IAUP, Bangkok and Pattaya, Thailand, XIV Triennial Conference of the International Association of University Presidents: The Challenge of Globalization and the Role of Higher Education - [www.triennial14.com](http://www.triennial14.com)*

*To insert an event in this Calendar of Events or on-line please write to the address below.*

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