

HIGHER EDUCATION: QUALITY, EQUITY AND EFFICIENCY

In recent decades, higher education has grown and diversified in all OECD countries. Governments are among the major players in the sector, particularly in centralized higher education systems, but they are not the only ones. Quasi-governmental or independent quality assurance bodies, public and private institutional providers, employers, and students and their families play significant and sometimes determining roles. There is competition among established and emerging providers, while learners (and their families and employers) have become more sophisticated and demanding. Fiscal pressures continue. The international nature of the market is becoming more evident.

We know that investment in higher education and research has a positive effect on economic growth and regional competitiveness, as well as on individual employment prospects and well-being. The stakes are high and political and media interest is strong. Stakeholders, including governments, are becoming more demanding of evidence of the impact and relevance of the work of the higher education sector, regionally, nationally and globally. Consumer perceptions, influenced by national and international rankings, are having a significant impact on student choices and institutional behaviour.

In this context, higher education systems must address broad objectives of growth, full employment and social cohesion, within governance frameworks which encourage institutions, individually and collectively, to fulfil multiple missions. Institutions, systems, and stakeholders must seek to ensure that quality, equity and efficiency characterise all aspects of higher education.

This issue of IMHE Info summarises

some of the questions addressed during the meeting of the OECD Education Committee at Ministerial level, which was held in Athens 27-28 June 2006 and which focused on higher education. All the information concerning this meeting is available on www.oecd.org/edumin2006

The purposes and governance of higher education

→ *How can countries develop and operate systems of higher education which align the goals of higher education institutions with public objectives?*

Transformations in the purpose and scope of higher education have taken place in recent decades. Public officials throughout OECD member nations have come to hold ambitious goals for higher education, viewing it both as a means to foster economic growth – through its capacity to create a highly skilled workforce and research that underpins a knowledge-based economy – and as a principal instrument for the fostering of social cohesion, widely dispersing the benefits of economic growth. Higher education has expanded in many OECD member nations to encompass half or more of all young adults. And it has simultaneously become much more diverse in its providers, in its learners, in the range of skills and training it provides, and in connections to the commercial life of knowledge-based economies.

In response to this expansion of the scope and purposes of higher education, many governments have made fundamental changes to the organisation of higher education systems, and to the means by which they exercise authority over higher

education institutions. Faced with the growing diversity of students and institutional missions, some governments have responded by creating newer more vocationally-oriented non-university institutions, assigning to them a leading role in the training of a skilled workforce, as with the Polytechnics in Finland and the Universities of Applied Sciences in Switzerland. Elsewhere – as in the United States and Japan – higher education systems are highly differentiated and policies have encouraged the development of competition among institutions that vary in mission, reputation, price, and ownership.

Faced with expansion, differentiation, and the widening influence of international competition in higher education, policy makers are reassessing how best to align the activities of higher education institutions to national purposes. Many countries, such as Japan, have chosen to devise new structures of governance, permitting higher education institutions to exercise wider autonomy over their own finances and management. Other countries, such as New Zealand, where previously systems developed rather independently of educational authorities, have opted to make institutions more accountable for the accomplishment of public purposes through the control of their performance or outputs, and the establishment of performance reporting, performance contracts, or similar tools of governance.



Ensuring the long-term sustainability and accessibility of the higher education sector

- *What approaches will ensure the quality and accessibility of higher education systems in the face of competing spending priorities?*
- *What can be learned from the experiences of countries which vary greatly in the proportion of national wealth they devote to higher education?*

High levels of higher education qualifications are widely acknowledged to be associated with higher levels of productivity, output growth and standards of living. Even so, investment in higher education varies widely across OECD member nations, owing to long-standing differences in political convictions, social traditions, and fiscal capacities. All nations face the challenges of mobilising more resources and using them effectively in meeting the strategic goals of society with maximum efficiency. Publicly-subsidised higher education is heavily reliant on tax revenues at a time when there are growing pressures to contain public spending. Other priorities such as increasing spending on pensions, medical care, or combating social exclusion, also impose pressure on the public education budget. In addition, within education budgets, the higher education sector competes with primary and secondary education, early childhood education and care, and continuing education. The pressure to at least maintain – and preferably improve – funding and income levels has evoked a debate on alternative sources of revenue, and it has focused attention on individual contributions to educational costs and the capacity of institutions to earn income. Some countries have introduced tuition fees, for at least some students. Others have enacted reforms to permit more institutional latitude over income, including investments. This debate, has to be seen in the larger context of discussion of the overall approach to financing the different strands of publicly-subsidised educational systems. Not only is lifelong

learning calling for the shifting of financial resources across educational sectors/strands, but it is arguable that inconsistencies in charging policies remain visible in some countries (for example the existence of fees for early childhood education and care and for adult education but not for higher education).

Countries also struggle to ensure an equitable provision of higher education. Access to and completion of higher education typically varies widely, most importantly by social background, minority or immigrant status, or disability. Policy responses include financial aid schemes; career guidance and counselling services which aim to alert youth to the benefits of higher education; institutional funding methodologies that provide added financing for the support of students from disadvantaged backgrounds; non-discrimination policies requiring provision to be physically, pedagogically and socially accessible to students with disabilities; and initiatives to make higher education better adapted to the needs of non-traditional students, such as the recognition of non-formal and informal learning alongside formal qualifications. These approaches also stress that higher education needs to be seen as part of an interdependent system of education and training with an effective connection to secondary education.

Improving the quality, relevance and impact of higher education

- *How can persistent inequality in higher education be better understood and addressed?*
- *How can diversity and differentiation among institutions be encouraged without creating rigid and unproductive hierarchies among them?*

In many ways, higher education systems appear to be successful in meeting 21st century social needs. Higher education provides new kinds of education and training to numbers of students unimaginable in decades past. Many have greatly increased the intensity of their research activities and made important contributions to public knowledge and

innovation. In some nations, however, higher education research remains only weakly joined to broader public purposes, including the provision of education and training relevant to the demands of working life, and research activity that yields benefits for the development of a knowledge-based economy. Most conspicuous, perhaps, is the modest contribution of higher education to social cohesion. The expansion of higher education enrolments has failed to narrow wide disparities in the rates at which students from higher and lower income families enter – let alone complete – tertiary studies. Given the disproportionate take-up of additional study places by middle-income students, and a simultaneous increase in the returns to higher education, there is evidence that higher education has in some instances widened, rather than narrowed, social disparities.

Responsibility for some of these shortcomings may rest outside the higher education system itself, such as wide inequalities that are introduced during primary and secondary schooling, and clearly revealed in the findings of the OECD Programme on International Student Assessment (PISA). Nonetheless, the inability of higher education to meet other needs must be acknowledged to rest, in some instances, with higher education institutions themselves, or with public officials who bear responsibility for aligning their activities to national policy goals. Though higher education institutions often have much wider scope for autonomous action, many have shown a reluctance or inability to fully embrace its possibilities, particularly in the management of human resources. Elsewhere, authorities responsible for higher education have failed to recognise the needs for wider autonomy on the part of institutions, or how to effectively hold institutions accountable for their performance. Institutions may not be sufficiently attentive to the needs of non-traditional students not out of a wilful indifference to their needs, but because public authorities have failed to create proper incentives – or to limit the risks – of working with students whose schooling may be more costly to institutions, or more likely to result in longer study times and lower rates of completion.

The IMHE welcomes the following new members:

- > Department for Higher education Research, National Institute for Educational Policy Research (NIER) – Japan
- > Universidad Autonoma de Coahuila – Mexico
- > Universidad Autonoma de San Luis Potosi – Mexico
- > The University of Arizona – United States

■ **Seminar on Strategic Change in Higher Education**
27-28 April, Valencia, Spain

The seminar was co-organised by the Generalitat Valenciana and the OECD/IMHE, with collaboration from the Universidad Politecnica de Valencia, the Centro de Estudios en Gestion de la Educacion Superior-CEGES and the Universitat de Valencia. It attracted around 150 participants.

The seminar addressed the necessary changes in governance in the Spanish higher education system and institutions, particularly as regards autonomy and accountability. The programme was planned with a gradual move from governing universities in a traditional way, to the necessary and possible changes (invited speakers from outside Spain addressed these issues) to necessary and possible changes within Spain.

SURVEY ON IMHE INFO

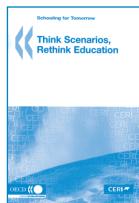
IMHE Info is an information bulletin which has been published three times a year since 1991. It is issued under the OECD Programme on Institutional Management in Higher Education (IMHE). *IMHE Info*, whose readership is growing, is intended for all persons with an interest in higher education.

Attentive to the concerns of its members and endeavouring to meet the requirements of its readers, *IMHE Info* wishes to evolve with the times. The purpose of this survey is to adapt *IMHE Info* to the needs expressed.

We would like to thank you in advance for your participation. The online survey is at the following address: www.oecd.org/edu/imheinfosurvey

→ Deadline for the survey is 15 September 2006

PUBLICATIONS OF INTEREST

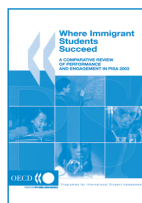


Schooling for Tomorrow. Think Scenarios, Rethink Education.

OECD Publishing, ISBN: 9264023631

This volume of the *Schooling for Tomorrow*

series goes beyond the OECD's own set of educational futures already published. It discusses how to develop scenarios and use them to address the challenges confronting policy and practice. Its chapters give both authoritative scholarly overviews and very practical lessons to be applied, including from Jay Ogilvy, a prominent exponent of scenario thinking for the business world, and school change expert Michael Fullan. This book is relevant for the many – policy makers, school leaders and teachers – concerned with the long-term future of education.



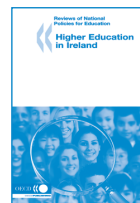
Where Immigrant Students Succeed: A Comparative Review of Performance and Engagement in PISA 2003.

OECD Publishing, ISBN: 9264023607

Successful integration of immigrant populations is essential for ensuring social cohesion in immigrant receiving nations. Immigrants bring a wealth of human capital which, if nurtured carefully, can positively contribute to economic well-being and cultural diversity of the host country. Yet, tapping into this potential remains a major challenge for policy makers. What barriers exist for young immigrants today? Can school contribute to reducing those barriers and in turn help young immigrants succeed in their adopted countries?

Drawing on data from the OECD's Programme for International Student Assessment (PISA), this report examines the

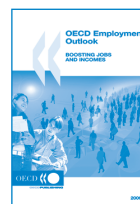
performance of students with immigrant backgrounds and compares it to that of their native counterparts.



Reviews of National Policies for Education. Higher Education in Ireland.

OECD Publishing, ISBN 9264014314

Ireland was one of the first European countries to grasp the economic importance of education. But higher education in Ireland is now at a crossroads, with significant challenges to overcome. How can Ireland meet its stated objective of "placing its higher education system in the top ranks of OECD member countries in terms of both quality and levels of participation"? How can it create "a world class research, development and innovation capacity"? This report addresses the full range of higher education issues and offers recommendations for action within the framework of the government's ambitions for the sector.

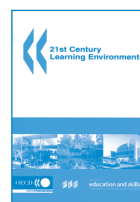


OECD Employment Outlook - 2006 Edition: Boosting Jobs and Incomes.

OECD Publishing, ISBN 9264023844

OECD countries have to improve labour market performance to increase living standards. This has become more urgent as population ageing may put considerable downward pressure on economic growth in the coming decades. What is needed is a comprehensive reform strategy to raise employment and help workers earn higher incomes. This requires action on many fronts including taxation, employment regulations, welfare benefits, wages, product-market competition and macroeconomic policy. Which reforms have been successful and in what countries? Do they necessarily imply lower social protection or more insecurity?

This book provides answers to these essential questions, based on a major analysis covering 30 countries.



21st Century Learning Environments.

OECD Publishing, ISBN: 9264006508

School buildings have a crucial contribution to make to raising

educational achievement. Designing high performance school buildings for the 21st century for all children is a shared concern amongst OECD countries. Innovative research seeks architectural answers that make efficient use of the resources invested in building, renovating and running schools. Changes in the design of those buildings must serve the educational process and improve the quality of the learning environment. A major challenge is to secure the best possible design input to deliver schools that will meet future needs and expectations and offer a positive environment that supports learning and teaching.

PEB Compendium of Exemplary Educational Facilities:


3rd Edition. OECD Publishing, ISBN 92-64-02229-5

The 3rd PEB Compendium features educational institutions





from 20 countries selected by an international jury for their exemplary facilities. This work addresses how the design, use and management of physical infrastructure can contribute to the quality of education. With full-colour photographs, plans and descriptions, the Compendium focuses on the functionality of 65 recently completed or refurbished buildings or grounds, chosen for their innovation in the areas of safety, sustainability, alternative financing, community needs and flexibility. In addition to schools and universities, this third edition of the PEB Compendium covers pre-schools and gives special attention to how effectively the facilities meet the needs of their users: students, teachers, parents and the community at large.


IMHE CALENDAR

24-25 August "What works" Seminar on *Roles and Responsibilities of Institutional Governing Bodies*, Paris, France.
 Contact: jacqueline.smith@oecd.org

11-13 September General Conference, *Values and Ethics: Managing Challenges and Realities in Higher Education*, Paris, France.
www.oecd.org/edu/imhegeneralconference2006
 Contact: valerie.lafon@oecd.org

14 September *Funding Systems and their Effects on Higher Education Systems* Project Workshop, Paris, France.
 Contact: IMHE@oecd.org

16-17 October *Supporting the Contribution of Higher Education Institutions to Regional Development*, International Conference. By invitation only. Copenhagen, Denmark.
 Contact: jaana.puukka@oecd.org

4-5 December *Typology and Rankings* Workshop jointly organised with the German Hochschulrektorenkonferenz-HRK, Bonn, Germany.
 Contact: IMHE@oecd.org

OTHER MEETINGS OF INTEREST

Registration is open for the European MBA in Higher Education and Research Management developed with Speyer, Politecnica de Valenica, London and Maastricht.
<http://www.euroherm.org/>

30 Aug.-1st Sept. 28th Annual EAIR Conference *Who runs higher education in a competitive world?* Rome, Italy.
www.luiss.it/english_version/eair2006/index.html

5-7 September SEAAIR Conference *Transforming Higher Education in the Knowledge Society*, Langkawi, Malaysia.
www.seair.info

13-16 September 18th Annual EAIE Conference Basel, Switzerland. www.eaie.org/basel/

21-23 September Conference on *Academic Mobility*, University of Turku, Turku, Finland.
 Registration on:
<http://users.utu.fi/freder/Conf%20mobility/cat/Registration.htm>

19-21 October *EUA Conference European Universities as Catalysts in Promoting Regional Development*, Brno, Czech Republic.
www.eua.be

29 Nov.-1 Dec. UNESCO Forum on *Higher Education, Research, and Knowledge Universities as Centers of Research and Knowledge Creation: An Endangered Species?* UNESCO, Paris, France.
www.unesco.org/education/researchforum

8-9 December IAU-IAUP conference, *The different Meanings of University Autonomy*, Cheng Mai, Thailand.
 Contact: iau@unesco.org



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