

CHAPTER 1

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GLOBAL REFORM TRENDS IN HIGHER EDUCATION

Towards the end of the 1980s the contours of a 'new world order' became more and more visible. Its rise was marked by the collapse of communist regimes and the increasing political hegemony of neo-liberal market ideologies. These established an environment for socio-economic and political change during the 1990s that would assert considerable reform pressures on all sectors of society, higher education included.

South Africa's negotiated settlement (Kraak, 2001) or 'implicit bargain' (Gelb, 1998, 2001) in 1994 must not only be seen as an isolated moment of a 'miracle transition' at the southern tip of Africa. It was also part of a political and economic transition process on a planetary scale that a large number of analysts have tried to capture as globalisation (Castells, 2001; Held et al., 1999). Even though globalisation is a far from uncontroversial concept, there is general agreement that most nation states are going through a transformation process that is strongly affected by global trends and pressures.¹ These trends and pressures form, for example, an important basis for national public sector reforms with respect to higher education.²

Globalisation impulses stem from financial markets that started operating on a global scale and from the explosion that occurred in international 'connectedness' – both virtual and real – mainly through the internet, mobile telephony and intensifying travel patterns. Simultaneously global and regional free trade agreements proliferated and expanded. The most important examples of these are the World Trade Organisation (WTO), the European Union (EU), the North American Free Trade Agreement (NAFTA), the Common Market of the Southern Cone (Mercosur in Latin America), the Southern Africa Development Community (SADC), and the Asia-Pacific Economic Co-operation Forum (APEC). These trends are also promoted through international agencies such as the United Nations and its organisations, the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), and the World Bank.

All these 'planetary' changes created environments within which nation states had to consider a reorientation and repositioning of their still predominantly public higher education systems. This did not mean that governments were looking for alternatives to higher education. Instead the higher education institutions became a part of the national development policies in countries all over the world, with Finland, Ireland, and the East Asian Tigers as the prime examples. In South Africa a senior official in the new

democracy's first education department, Trevor Coombe (1991), summed up their role as follows:

Universities remain great national storehouses of trained, informed, inquiring and critical intellects, and the indispensable means of replenishing national talent. They have considerable reserves of leadership and commitment on which to draw. Impoverished, frustrated, dilapidated and overcrowded as they may be, they have no substitutes.

It was within this rapidly changing global context, that six months after South Africa's watershed first democratic election, Nelson Mandela issued a proclamation appointing a National Commission on Higher Education (NCHE) to 'preserve what is valuable and to address what is defective and requires transformation' (NCHE, 1996:1). This Commission had two central tasks: to rid higher education of the aberrations of apartheid and to modernise it by infusing it with international experiences and best practices.

With hindsight it is clear to see that few in South Africa realised at the time that these international 'best' practices, which like little streams had slowly gathered momentum in most other parts of the world, would overrun the national reform agenda for higher education like a flood through a hole in the wall. The 'wall' had up till that time isolated South Africa and other countries, such as those in communist Central and Eastern Europe, from global changes and had been a bulwark against a pent-up demand for internal change.

What were the global change trends that faced South Africa? A number of scholars have shed light on these developments and the underlying starting points. The Norwegian political scientist Johan Olsen (2000) has produced, for example, an interesting contribution to the policy debate on the modernisation of higher education in his country that is relevant to the South African debate.

Olsen claims that the traditional pact between society and higher education has become problematic. The signs of this are, first, that public support for higher education is decreasing, both politically and financially. In addition there are widespread accusations of insufficient quality, responsiveness, effectiveness, and efficiency in higher education. And finally there are many complaints about the lack of intellectual capacity in higher education at a time when there seems to be a growing need for it. As a consequence of the deterioration of the relationship between higher education and society, the re-interpretation of higher education as a service-company with society as its marketplace, is becoming the dominant one taking over from the traditional emphasis on academic freedom and collegial self-steering of academics.

According to Olsen (2000) academic self-steering was part of a large democratic-constitutional social order, with partly autonomous institutions. Constitutional regulations defined these institutions and their roles, competence, social and political relationships, and responsibilities. From this perspective institutional autonomy is a condition for legitimate governmental steering of higher education and peaceful co-existence with other institutions.

National debates about institutions are not new. They have regularly taken place and have led to many challenges concerning institutional autonomy. What is new, however, are the effects of international reform ideologies that fundamentally challenge the notion of institutional self-steering in higher education. According to the underlying ideas and

assumptions of reform thinking, universities and colleges should be externally controlled, their activities should be formally evaluated, they should be held accountable for their performance, they should be steered by market forces and not by governmental or state mechanisms, they should be run by professional leaders and managers instead of by academic *primus-inter-pares* ('first among equals'), and they should be included as service industries in regional and global trade agreements.

Among the consequences of the acceptance and application of these reform ideas and assumptions at the national level are the decreasing importance of specific national and institutional characteristics, cultures, histories and interests. In the policy goals of efficiency, effectiveness, responsiveness and competition embodied in many higher education reform programmes, national authorities transform their public higher education systems from national organisations with multiple social roles into global players mainly operating on the basis of economic considerations. The role of the state is to act as a 'watchdog' and to make sure that external audits and evaluations of higher education institutions take place regularly.³

Another author contributing to the discussion on higher education reform and its consequences is Stanford's Patricia Gumpert (2000). Her starting point is that there is a growing tension between two dominant perspectives on higher education: the first interprets higher education as a social institution while the second sees higher education mainly as a part of the national economy, in other words as an industry. The 'social institution' position states that higher education must attain goals related to its core activities, retain institutional legacies and carry out important functions for the wider society such as the cultivation of citizenship, the reservation of cultural heritage, and the formation of skills and the characters of students. The 'higher education as an industry' approach emphasises that higher education institutions sell goods and services, that they train an important part of the workforce and that they foster economic development. It argues that the exposure of universities and colleges to market forces and competition will result in improved management, programmatic adaptation, maximum flexibility, improved efficiency and customer satisfaction.⁴

These two perspectives differ fundamentally concerning the most important societal functions of higher education, the main problems confronting higher education, and the best solutions and approaches for dealing with these problems. According to Gumpert (2000) the perspective of public higher education as an industry has become the dominant one, at least in the USA. The mechanisms through which this development has taken place are, first, the rise of academic institutional managers and professional administrators; second, the idea of the sovereignty of the consumer, especially students; and third, the re-stratification of academic subjects and academic staff on the basis of their use-value. These three mechanisms have led to an institutional eagerness to embrace effectiveness and efficiency as policy priorities. The vicious circle in which higher education seems to be trapped as a result of all of this, is that the leaders of higher education institutions feel forced to use more and more market discourse and managerial approaches to restructure their institutions. Yet the more they move away from the traditional basic characteristics, legacy and functions of higher education, the more they seem to face formidable legitimacy challenges as public institutions.

One of the most influential publications in recent debates on higher education reform is Burton Clark's book on entrepreneurial universities based on five case studies in four European countries: Finland, the Netherlands, Sweden, and the United Kingdom (Clark, 1998). He argues that all universities should adapt and become more entrepreneurial because societal demands with respect to higher education are growing while governmental support (financially, legally and politically) is decreasing. As a consequence of local and global changes in the context of higher education and changes in expectations with respect to higher education, the imbalance between societal demand and institutional capacity has become a global phenomenon. The success or failure of institutional strategies for dealing with this imbalance will determine whether an institution will belong to tomorrow's winners or losers.

Whether one agrees with the arguments and conclusions of the authors cited above is not the issue here. The issue is that these (and other) analysts have identified important changes in the USA and Europe in the relationship between the state, the higher education institutions and society. In addition they have pointed to the important influence of globalisation on these changing relationships. The changes in European and US higher education have paved the way for the introduction of the underlying reform ideas and assumptions in other parts of the world too. They are crucial variables in any attempt to analyse and understand the nature and effects of higher education reforms. In this book the triangular relationships between state, institutions and society and the effects of globalisation on these relationships are used as the framework for analysis. In the next sections we will discuss the way in which the three actors – state, society and institutions respectively – as well as the concept of globalisation are interpreted within this analytic triangle which is used throughout this book.

1. THE STATE

What is the role of the state in the new patterns of steering and policy arrangements emerging with respect to higher education? Since the early 19th century (Neave, 1988) the continental European nation states have taken upon themselves the regulatory and funding responsibilities with respect to higher education. This state control model was also introduced in the colonies and remained the dominant model after these countries became independent. The model implied that the state took care of the public interest in higher education. It designed and regularly adapted the regulatory frameworks for higher education, and it was the main, if not sole, funder of higher education. Social expectations with respect to higher education were not addressed in direct links between social actors and higher education, but were taken up by the state. Consequently in most countries, including South Africa, until recently the society/higher education institutions dimension was the weakest side of the triangle presented alongside.

Major exceptions with respect to governmental steering of higher education were the USA and the United Kingdom. Their steering approaches have been characterised as state-supervision (Maassen & Van Vught, 1994) or arm's length (Scott, 1996) models.

In the USA individual states are traditionally responsible for higher education. In many states a governance model has been used that promotes a market-type of interaction between higher education and society. Even though the US state governments also have funding and regulatory responsibility with respect to public higher education, in most states the financial and regulatory instruments are not very restrictive and provide a lot of autonomy to the institutions. However, this does not mean that the USA overall has a market-driven higher education system. There is considerable diversity in state governance models and in a number of US states higher education is steered in a 'state-controlled' way, with line-item budgeting comparable to the traditional European government's way of steering higher education.

In the United Kingdom the academic oligarchy has for many years played an important role in the funding and regulatory decisions concerning higher education. An important body in this respect was the University Grants Committee (UGC). After the abolition of the UGC in the 1980s the British government's 'arm's length' approach to the steering of higher education changed and became more restrictive. The successive Conservative British governments which succeeded the first Thatcher government of the early 1980s developed policy approaches that promoted the abandonment of tight government control; with respect to higher education, however, they actually tightened budgetary controls and introduced more elaborate regulatory instruments (Scott, 1996:123). Given that South African higher education has its roots in both Continental European and British traditions, an interesting mixture of traditional state control and arm's length government steering approaches can be observed in the system.

The differences in governmental steering models did not imply that the general assumptions concerning the role of the government remained constant throughout the last few decades. For example, from the late 1950s through the 1960s and early 1970s there was a worldwide belief in the political 'makeability' of society. It was assumed that society could be 'moulded' into specific forms and patterns by designing appropriate policies and implementing them with the use of the right instruments. Examples of such instruments were the Planning-Programming-Budgeting-System (PPBS; see, for example, Lyden & Miller, 1968; and Schick, 1973) and other forms of planning.

Studies of policy implementation showed convincingly that policy outcomes were hardly ever the same as the policy intentions (see, for example, Pressman & Wildavsky, 1973; and Cerych & Sabatier, 1986). This brought back a sense of reality into policy-making. Interestingly enough, while many actors directly involved in policy-making have become more modest and realistic in their policy-making efforts, many politicians in different political regimes still seem to cling to the 'societal makeability' assumption. Consequently there is a wide, and in many respects widening, gap between politics and political programmes on the one side, and the dynamics of public sectors such as higher education on the other. Policies are expected to fill this gap, sometimes being directly derived from a political programme, sometimes reflecting societal reality, sometimes a combination of both. It is obvious that the wider the gap, the more unlikely it will be that policy outcomes will be in line with the original policy objectives.

The state corner of the analytic triangle reflects this tension between high political expectations and differentiated societal and institutional realities. Part of the aim of this

book is to show how this tension has worked itself out in South Africa and what its effects were on the practice of South African higher education.

Another piece of the puzzle that is needed to understand the relationship between policy intentions and policy outcomes with respect to South African higher education, concerns the relationship between educational and economic reform agendas. In South Africa there is a tension between the higher education reform agenda which emphasises national topics such as redress, democratisation and equity, and the global reform agenda which promotes issues such as efficiency, effectiveness, competition and responsiveness. The former is developed and driven by the Ministry of Education; the latter falls under the responsibility of other ministries, such as Finance, and Trade and Industry. As is the case in most other countries, in South Africa the national higher education agenda has been made subservient to the global reform agenda.

This tension can be illustrated, for example, by the way in which various ministries deal with the issues of quality and diversity (Meek et al., 1996). Ministries of Education have interpreted, and made operational, quality and diversity issues in policy-making processes from an academic point of view. However, the concepts of quality and diversity are also regularly used in the reform programmes of other ministries. In these programmes quality and diversity are not launched from an academic point of view, but mainly from an economic and accountability perspective. In practice this means, for example, that a Ministry of Education may attempt to introduce a quality assessment approach based on peer review, implying that it is improvement-oriented and mainly driven by academic values. Ministries of Economic Affairs, Labour, or Trade and Industry, on the other hand, tend to be more interested, for example, in the quality of higher education from the perspective of labour market demands, or from the perspective of using quality to increase institutional efficiency through competition between public and private providers of higher education.

Finally it is relevant to reflect upon the role of the state in the promotion of the public interest. As indicated above, until recently, the state in many countries, including South Africa, took care of the translation of social expectations with respect to higher education. It decided which social expectations and needs to include in the higher education policy agenda and how to include them. As a result of disappointments with the outcomes of state actions, however, and the growing complexity of higher education, it was generally recognised by all actors involved, including Ministries of Education, that this near monopolistic position could not be maintained. The new governmental steering approaches with respect to higher education introduced in the late 1980s and early 1990s in Europe (Gornitzka & Maassen, 2000) and other parts of the world (Neave & Van Vught, 1994) reflected this recognition. In the white papers and other policy documents in which the rationale behind the new steering approaches were explained, governments emphasised that they aimed at a more direct relationship between higher education and society. They indicated that the state should act as one of the stakeholders with an interest in higher education, instead of as the only stakeholder – again an indication of the growing prominence of the society/higher education dimension in the triangular relation between state, society and higher education.

2. SOCIETY

Over the last ten to fifteen years the social demands with respect to higher education have clearly intensified. In respect of the second corner of the analytic triangle it has been argued, for example, that higher education has to take into account, more and more, the interests of a variety of external and internal social stakeholders (Clark, 1998; Maassen, 2000). As having a higher education degree increasingly became a necessary condition for entering, not only the professions, but also the rapidly expanding service and technology-orientated jobs, the demand for access increased dramatically. This was accompanied by the need for ‘retooling’, or lifelong education in order to keep abreast of rapidly changing job requirements.

Increasing participation in higher education has become a global orthodoxy, promoted by national governments as well as agencies such as Unesco, the OECD and the World Bank. Several countries, for example the USA, Finland and South Korea, already have participation rates of more than 60%, implying that two out of three students leaving secondary education will enter higher education, either directly or after a certain time lag. In many developing countries with high population growth, such as Brazil and Indonesia, the participation rates may not be increasing, but the actual student numbers in higher education are growing as a result of the demographic structure of these countries.

But it is not only a matter of increased access and participation; it is also a question of access for whom. Higher education came to be regarded as a key (re-) distributor of opportunity and an interesting paradox can be observed in relation to this process. While social needs and expectations were leading to higher numbers of students enrolling in higher education worldwide, the public investments in higher education decreased, at least in real terms. This implies that compared to 1980, for example, universities and colleges now receive far less public funding per student, relatively speaking. As a consequence, higher education has been forced to move out of its ivory tower. Referring to the authors above (Clark & Maassen) one might wonder whether higher education, in coming out of its ‘ivory closet’ has gone to the other extreme in its relationship with society.

This would imply that instead of isolating itself from social needs, higher education is now trying to respond to all social and economic demands unloaded on it despite the growing imbalance between demands and the institutional capacity for responding to them (Clark, 1998). For example, higher education institutions are expected to address societal contestations around race, ethnicity, gender and diversity – the intensified human rights struggles of the latter part of the century – in their institutional policies. In some circles higher education is even expected to find the solutions to these social problems.

Discussing this development from a conceptual angle, we can again refer here to Olsen (1988) who set up four models to represent the relationship between higher education and society: the sovereign, institutional, corporate-pluralist, and classical liberal (or supermarket) state models.⁵ The sovereign and classical liberal models are comparable to the state control and arm’s length models referred to above. However, in order to

understand the growing importance of society in the analytic triangle, it is useful to discuss one of Olsen's models, the corporate-pluralist model, in more detail since it can also be said to apply to the post-1994 situation in South Africa to some extent.

According to this model the state is no longer a unitary actor with a monopoly over power and control. Rather there are several competing and legitimate centres of authority and control with respect to higher education. The role of higher education reflects the constellation of interests voiced by different organised interest groups in the sector, such as student unions, staff unions, professional associations, industry and business, and regional authorities. A Ministry of Education is just one of the many stakeholders in higher education. These stakeholders all have a claim on the role and direction of development of higher education. The main arena of policy-making consists of a corporate network of public boards, councils and commissions. Parliamentary power is reduced – policy-making goes on in conference rooms and closed halls outside of parliament. Players in policy-making act strategically to further the special interests of their own organisation or interest group.

Decision-making is segmented and dominated by clusters of interest groups (government being one of them) with recognised rights to participate. The dominant mode of decision-making is one of negotiation and consultation, with an extensive use of 'sounding out'. Societal participation takes place through organised interest groups (according to Olsen, the 'corporate channel'). There is little co-ordination across policy sub-systems and the domain of government interference is dependent upon power relationships. The structured negotiations favoured by this model interfere with market forces and hierarchical decisions. The autonomy of universities and colleges is negotiated and the result of a distribution of interests and power. Changes in higher education are influenced by changes in power, interests and alliances.

In applying this model to South Africa one has to keep in mind that it was developed within a Northern European welfare state context. Therefore it will not reflect all the details and nuances of the current South African state model, nor of the institutional governance models promoted by the 1997 White Paper (Department of Education, 1997; see also Cloete & Bunting, 2000). Nonetheless, the network relations incorporated in this model seem to do more justice to the practice of the relationships between society and higher education in South Africa than the way in which the other models represent this relationship. Elements of the other models, i.e. a strong state, academic elitism, and market interactions, can be observed in the steering of South African higher education, but not as prominently as the corporate-pluralistic network connections. This will also become clear when we discuss the third corner of the triangle in which the institutions are located.

3. HIGHER EDUCATION INSTITUTIONS

Higher education institutions interact with many different actors in external and internal policy processes. In order to understand the nature of these interactions it is important, first of all, to make a distinction between academic and administrative governance

structures. Higher education institutions, especially universities, have traditionally been run by academics, i.e. the professoriate. Institutional administration was seen as an 'unavoidable evil' necessary to create the optimal circumstances for the professors to operate autonomously. As such, higher education institutions were professional organisations with one dominant profession, the academic profession.

A core characteristic of professional occupations is that they want not only control over the conditions of their work, but also over the definition of work itself. Scott (1995) has distinguished three kinds of work-related control which professionals are seeking. The first is regulative control: professionals want to determine what actions are to be prohibited and permitted, and what sanctions are to be used. The second is normative control, implying that professionals want to determine who has the right to exercise authority over what decisions and actors in what situations. The third is cognitive control: the drive to determine what types of problems fall under the professionals' responsibility and how these problems are to be categorised and processed.

In addition to these general characteristics of professional occupations, some specific characteristics of universities and colleges are worth mentioning here. First and foremost, it is knowledge that provides the organisational building blocks of these institutions. Secondly, this knowledge-based structure leads to a high level of organisational fragmentation. Thirdly, these institutions have loosely articulated decision-making structures. Finally, change generally takes place in an incremental, grassroots way.

These characteristics are unique. They make universities and colleges different from other types of organisations. What we are referring to here are differences such as higher education institutions lacking a single, clearly definable production function, and demonstrating low levels of internal integration. Another important difference is that the commitment of the academic staff to their discipline and profession is higher than the commitment to their institution. With respect to the nature of institutional management important differences can be mentioned such as the low ability of institutional managers to hire and fire staff, or the fact that institutional managers are more accountable to stakeholders than to their counterparts in business.

All in all it can be argued that the traditional characteristics of universities and colleges make it difficult to initiate and steer organisational changes in them from the outside. This doesn't mean that these institutions are not influenced by external factors, but that the exact effects of these factors are impossible to control and very difficult to predict.

Over the last ten to fifteen years in Europe and Australia, and at least a decade longer in North America, this traditional set of characteristics and the academic control of administration and governance in higher education institutions have been challenged by a number of developments. With the massification and subsequent growth of higher education, this sector became more and more complex. Furthermore, the need to find alternative, non-public, sources of income to make up for reduced government funding, has added to the complexity of the institution. In many countries this complexity has led to the professionalisation of the administration, although this does not necessarily mean a growth of the administrative staff; there are indications that traditional administrative support functions (secretaries and clerks) are being replaced by professional administrators (Gornitzka et al., 1998; Gornitzka & Larsen, 2001).

Increasingly, a more professionalised management is seen as a necessary condition for the institutions' attempts to deal more adequately with both external and internal pressures and demands. External demands range from new policy initiatives and new government legislation to opportunities for the formation of industry or community partnerships. Internally, greater planning and more efficient allocation of resources are required, as well as providing incentives to academics to respond to opportunities or markets. The rising administrative profession is, implicitly and explicitly, challenging the traditional dominance of the academics in institutional affairs. This development might actually lead to the university becoming a bi-professional instead of mono-professional organisation.

The strengthening and expansion of institutional management aims at achieving a number of functions. Amongst other things, it aims to enable institutions to become more strategic and responsive in order to compete nationally and internationally, to introduce efficiency measures, and to help drive the implementation of national policy agendas. Globally it is recognised that as part of the above-mentioned complexity of higher education institutions, these institutions will have to be managed more and more as hybrid organisations, i.e. organisations containing public and private elements. In terms of the analytic triangle this can be illustrated by stating that the society/institution dimension will become the private dimension in universities and colleges, while the state/institution dimension will remain in the public domain.

A last institutional aspect to be mentioned here is that higher education institutions are increasingly attempting to present themselves as cultural sites, hoping to profit in a number of ways (including financially) from their cultural activities and their cultural image. One positive result could be that well-educated knowledge workers will expect to live within easy access distance from institutions where both new technological and cultural knowledge is produced and is available. The educated network society thus expects more interaction with higher education institutions (Carnoy, 2001:32).

This book reflects on how the three dimensions of the analytic triangle – state to society, society to institutions, and institutions to state – have affected the way in which the ambitious policy intentions of the early 1990s have been handled in the complex reality of the new institutional landscape of South African higher education. Obviously these three national dimensions have been affected in many ways by global forces from outside the country.

4. ASPECTS OF GLOBALISATION

Globalisation encompasses global financial markets, growing global interconnectedness, global and regional trade agreements, media, information systems, labour markets, telecommunication, etc. By some it is seen as a process leading to reduced poverty and a better distribution of wealth among countries and individuals, while others regard it as 'the source of all evil'. According to Held and his colleagues (1999:1) the lack of a precise definition creates the danger of globalisation becoming 'the cliché of our times: the big idea which encompasses everything [...] but which delivers little substantial insight into the contemporary human condition'.

Despite the danger of becoming a cliché, globalisation does capture the notion of rapid worldwide social and economic transformation. This notion includes many aspects of our societies, too many to capture in this book.⁶ However, in order to underline the relevance of global processes, ideas, and forces for higher education reform, we will discuss some of the aspects of globalisation of relevance for higher education in more detail. These include, amongst other things, trade liberalisation and its effects on higher education. In addition we will point to some of the globalisation tensions that have arisen in higher education systems around the globe.

A tension that globalisation poses, particularly for developing countries, is that on the one hand, the nation state is expected to create the conditions for economic and social development within the framework of trade liberalisation, predominantly through producing more and better educated citizens and increasing knowledge production, which is a prized commodity in the global economy. On the other hand, globalisation introduces pressures to reduce the role and contribution of central government in education (Carnoy, 1999). The double-edged challenge is to produce more graduates with high-level knowledge skills, but with less direct government support per graduate.

Another effect is that globalisation increases the pay-off to high-level skills relative to lower level skills, thus reducing the complementarity between equity and competitiveness-driven reforms (Carnoy, 1999). The fact that the national government's capacity to steer from the top may be restricted, combined with increasing inequality, affects the government's ability to address redress. Contradictorily, while globalisation can weaken the state, it also expects, and demands, efficient state apparatuses with well-developed civil societies that provide growing markets, stable political conditions and steady public investment in human capital (Carnoy, 1999). However, not all states are weakened by globalisation; some are thriving under it, which contributes to the expanding global digital divide (Castells, 2001a).

In order for higher education institutions to be able to respond successfully to this challenge, globalisation 'encouraged' higher education to become more business like. For example, higher education is increasingly expected to interpret international student recruitment from an economic perspective. During an earlier era attracting foreign students was either part of ideological competition between east and west, or part of the development of former colonies. Thus countries such as the USA, Russia, the United Kingdom, France, the Netherlands and Germany sponsored students from third world countries to study in their advanced higher education systems. But during the late 1980s and particularly the 1990s, higher education institutions gradually started seeing fee-paying students as a source of revenue and this led to the development of an international market for higher education students.

In this market the strategy of some institutions is to attract foreign students to enrol in one of their regular programmes against far higher tuition fees than regular national students have to pay. This is especially the case in English language countries such as Australia, the United Kingdom and the USA. Another example is of institutions in non-English language countries, such as the Netherlands and Germany, that are offering English language programmes to foreign students against high tuition fees. A third example consists of institutions that are establishing branches in other countries, such as

Australian universities entering South Africa, or US institutions establishing campuses in Central and Eastern European countries, or entering partnerships with institutions in these countries to develop joint programmes for fee-paying students.

Of further interest for understanding the working of globalisation in the South African context is that, in general, politics is 'running behind the facts of global developments'. The global economic developments that gained momentum in the 1980s, amongst other things in the slipstream of the new trade liberalisation agreements, were not regulated by individual nation states, even though the legal authority for regulating these developments was and is to be found at the level of the nation states.

General examples of these developments are the lack of regulations concerning the boundary-crossing flows of capital, and the regulatory demands of the internationalisation of labour markets. In the area of higher education one can think of quality control demands rising from the growing export and import of higher education services. The only regulations coming from national governments were in the area of developing conditions that were investment-friendly, such as the lifting of trade barriers, sound management of fiscal policy and internal stability (Carnoy, 2001; Gelb, 2001).

Finally a number of institutions are using information and communication technology (ICT) in different and new types of education delivery for foreign students – thus blurring the traditional distinction between contact and distance education. In tandem with competition from public institutions in advantaged countries came the expansion of private higher education at the national level, supported vigorously by international agencies such as the World Bank and by international and local business who suddenly saw higher education as an investment opportunity.

All in all these developments covered by the heading of globalisation have created a very specific global context for national reform in higher education. It is radically different from the contexts of previous decades. This does not imply that we want to suggest that globalisation is a deterministic concept, in the sense that national governments can only act in ways allowed for by globalisation.⁷ What we do assume, however, is that the global context, shaped by globalisation, influences national policy-makers in such a way that they emphasise in national policy processes and reforms issues that 'fit' the globalisation discourse, such as efficiency, effectiveness, and competition. Specific national issues, such as institutional and individual redress in South African higher education, are in the practice of national policy more often than not marginalised in favour of the global issues. Chapter 13 explores this further.

5. COUNTRY CASE STUDIES

As part of the broader project around this book a number of higher education scholars were asked to discuss recent higher education reforms in their countries: Lazar Vlasceanu and Jan Sadlak (Central and Eastern Europe), Alberto Amaral (Brazil), K.K. George and Reji Raman (India), Terfot Ngwana (Cameroon), Akira Arimoto (Japan), David Dill (USA), and Lynn Meek (Australia). They produced short case studies that are accessible on the CHET website at www.chet.org.za/papers.asp. The following reflections on the

experience of higher education reforms in these countries are based on the original reports and use the analytic triangle as a framework.

5.1. Central and Eastern Europe – changing the changes

The transformations in Central and Eastern European (CEE) countries form an obvious frame of reference for South Africa. Like the South African apartheid regime the former CEE regimes were excessively ideological and repressive. Nonetheless, the state was expected to be a core actor in the reform of public sector components such as higher education after the fall of the repressive CEE regimes. As was the case in South Africa, the market and the higher education institutions significantly affected the outcomes of the state-initiated reforms.

The reforms of CEE higher education started in 1990, and the changes correlated strongly with other major transformations in the political, economic, social and cultural sectors. In interpreting these transformations through the analytic triangle, the first observation is that in reshaping the *state/higher education relationship*, the post-revolutionary CEE governments relied heavily on legislative policy instruments. The creation of new legal frameworks was considered to be the key to introducing and consolidating major changes. However, due to the lack of a strong and direct relationship between the formal rules put in place by higher education legislation and the informal rules and values of the academic ethos, no new law has been able to survive for more than two to three years. Successive laws have been adopted, giving the impression that it was inappropriate to use the law as a national institution for the purpose of generating stability in the system, at least in the way it was used by the government. Instead of creating stability, the legal framework created a situation of flux, and ‘changing the changes’ thus became the rule.

The national higher education policy debates were initially dominated by national topics, mostly related to the need to diversify the rigid, centralised and monolithic structural and institutional contexts of higher education. This included, for example, de-ideologising the curricula. The new CEE governments had to demonstrate a break with the past. Global policy issues, however, such as efficiency and effectiveness, were also gradually entering the policy debates in the CEE countries. What we can see in the CEE *state/higher education relationship* is a state that is trying to diversify the national higher education system and the structural and legal conditions under which higher education is expected to operate. At the same time the policies of each state are being influenced more and more by global trends. These trends give a clear message: increase the autonomy of the universities and colleges with the expectation that they will become more efficient, effective, competitive and responsive. Furthermore, because the state’s treasury cannot afford to fund higher education at an appropriate level, the market is introduced as an arena in which the higher education institutions should seek new resources, while it is also assumed that the global expectations (of efficiency, responsiveness, etc.) will be addressed. In the CEE countries, however, the market entered the equation without much regulation, thus accounting for ‘disorganised

complexity' in *the higher education/society relationship*. As a consequence the higher education system is today characterised by constant change: changes in institutional forms, in funding mechanisms, in curricula, and in governance and management. While initially the change-emphasis was on the system and the structural functioning of its institutions, it has now become obvious that what is going on inside the structures, in terms of research, teaching and learning, is just as important if not more so.

The frequency of changes and changing issues have had two major effects. First, the changes have left traces in the structure of the system that will have long-lasting effects. Secondly, many academics have become sceptical of the constant flow of change and have returned to the tradition of operating within the system. Thus, they continue to do 'business as usual' while trying to avoid the external demands for change as much as possible.

This book will show some remarkable similarities between the South African and the Central and Eastern European reforms, particularly in terms of themes, the types and sequence of change, the shift from an initial emphasis on the national to the global, and the discussions now taking place on the perceived failure of policy implementation.

5.2. Brazil – testing institutions rather than students

Another country that is often regarded as having similarities with South Africa is Brazil. Not only do the two countries vie for position at the top of the Gini-coefficient league table (measuring social inequality), but Henriques Cardoso, a world renowned left-wing sociologist and activist, became president of Brazil in 1994, the same year Nelson Mandela became president of South Africa.

For Cardoso higher education was also high on the reform agenda, but instead of trying to reform the entire system, the focus was on three broad areas: higher education evaluation, full institutional autonomy and increasing access. Unlike in Central and Eastern Europe, the Brazilian academics vigorously opposed autonomy because they saw it as a move towards privatisation. Another difference is that by the beginning of the 1990s Brazil already had a strongly developed private higher education sector. The market was thus a well-established factor in higher education.

In order to understand the nature and outcomes of the Brazilian higher education reform programme, the structure of the higher education system has to be taken into account. The largest concentration of public and private institutions, students and staff can be found in the state of Sao Paulo. The state authorities are responsible for all public institutions in this state. The other states also have state-steered public higher education institutions. In addition to the state system there is a federal university system which is one of the best-funded public higher education systems in the world. None of the federal universities is located in Sao Paulo.

The major and most controversial reform that has been implemented is the establishment of a national quality assessment agency that runs national examinations across public and private institutions. The evaluations are undertaken not so much to test and influence individual students, but to assess the institutions. If students do not

perform satisfactorily, institutions can be downgraded from universities to university centres, meaning that they mainly have a teaching function. Inspectors are sent to the worst performing institutions and if they do not improve within two years, the institutions lose their accreditation.

In terms of governance, a surprise for the institutions was that under Cardoso, who has well-known links to left-wing movements 'the universities were faced, against all expectations, with a more authoritarian educational policy, with less dialogue and participation, with the possible foundations of a new culture of compliance. Indeed the government has in several cases presented or approved new legislation without previous discussion with anyone' (Amaral, 2001:6).

In the *state/higher education relationship* Cardoso adhered strongly to a global agenda, i.e. income diversification for institutions, quality as an external labour market concern, and increasing participation. The role of the (federal) state authority shifted from providing the resources for public higher education, to being both provider and evaluator – an example of Neave's evaluative state (Neave, 1988). The market was also encouraged to become more powerful in the *higher education/society relationship*. While enrolment increased by only 12.4% in the public system between 1994 and 1998, in the private sector it increased in the same period by 36.1%.

As a left theorist of globalisation, Cardoso focussed immediately on changes in both the *state/society* and *state/higher education relationship* that were expected in the first place to strengthen the Brazilian economy. The Brazilian higher education reform initiative was therefore much more targeted than the South African one, and the main reform, national testing, was actually implemented. Initial reform moves in South Africa were focussed on a local agenda of equity and democratisation of governance, but can now be seen to have shifted to incorporate global trends. Another similarity related to this is that, more recently, the South African government also seems to be moving towards a less consultative and more directive approach.

5.3. India – a Niagara Falls of policy reports and a Sahara of action

Given its history, size, social structure and democratic tradition, India is a unique and fascinating country. When looking at recent higher education reforms, these characteristics are relevant and should be taken into account in assessing the outcomes of the reform attempts.

For a long time India followed a central planning model for its economy. Only in the 1980s could a gradual shift to a reliance on market forces be noticed. Since 1991 in particular, when India borrowed heavily from the IMF and the World Bank, the country's policies have been marked by a growing emphasis on liberalisation, privatisation and globalisation. This is clearly visible, for example, in the current programme for economic reforms called the Structural Adjustment Programme (SAP).

The governmental policy initiatives for changing the nation's education system reflect this shift in economic ideology. Many national committees were established from the mid-1980s and produced a great number of reports. Despite the almost continuous flow

of suggestions, ideas, recommendations and policy proposals coming from these committees, however, in practice hardly any deliberate changes took place in the higher education system. The main problem in the Indian system is a lack of policy implementation – a problem which, according to George and Raman, ‘lies in the failure of the committees and successive governments to appreciate the trade-offs involved in following multiple objectives. They did not take into account the strength of resistance to institutional changes from well-entrenched interest groups. They also did not suggest concrete methods for mobilising resources. The lack of political will is clearly evident from the present status of education in the country’. Consequently the Indian education policy framework has been characterised as a clear case of ‘a Niagara Falls of reports on educational policy issues and a Sahara of action’ (George & Raman, 2001:1).

The main challenge facing higher education in India is a continuous ‘public under-funding’ that is getting worse and worse through the gradual decrease in the relative share of the gross national product (GNP) invested in education, and the decrease in expenditure on higher education as part of the education budget. This has led to growing pressures on the higher education institutions to privatise and raise funds. The financial situation for Indian higher education is deteriorating further on account of two factors: first, rich students are increasingly taking advantage of the liberalisation of foreign exchange control to migrate to countries such as the USA, UK, Australia and Russia; secondly, India features a market segmentation where a few world-class institutions co-exist alongside a vast number of mediocre institutions. In this sense higher education reflects the duality of the economy and the society.

All stakeholders involved in higher education argue publicly for restructuring and reforming the higher education system. The reality is different from the rhetoric, however, because restructuring and reform would potentially affect the vested interests of all sectional interests which include highly politicised unions of students, teachers and administrative personnel, and the political leadership.

In terms of the analytic triangle what we can observe in India is a relatively weak state that is incapable of effectively implementing higher education reforms against powerful societal and institutional interests. Rather than challenging the powerful vested interest groups head-on, the state has favoured the ‘softer’ option of bypassing the existing system by facilitating the establishment of a new breed of institutions to respond to the demands of the different market segments of the economy and society. This option is made possible partly because the need for changing the system as a whole has not been felt by the vocal and influential sections of the society, namely the rising middle class. Their requirements for quality education are being met by institutions of excellence, funded lavishly by the federal government, corporate interests and educational entrepreneurs of a new breed. In addition, the most affluent and influential sections of society are already voting with their feet against India’s higher education system by opting for educational and career possibilities abroad.

The privileges of the middle classes (in terms of numbers India has the largest middle class in the world) are served by a regular exercise of ‘compensatory legitimisation’ where the state engages in commissions and investigations that count as action, rather than implementing the recommendations. Consequently the dynamics between *society* (and

the market) and the higher education institutions shape the system in a rather haphazard manner that may in the long term not serve the interests of the stakeholders involved, not to mention the 'aspirations of the voiceless majority' (George & Raman, 2001:8).

India set great store by policy commissions – even more than South Africa. However, not unlike the 1997–2001 period in South Africa, policy implementation has been regarded as very disappointing by most stakeholders involved. Another similarity is that making trade-offs between interest groups in countries with deep social inequalities seems very difficult to achieve.

5.4. Cameroon – an inability to adapt the policy infrastructure

During the period from independence in 1960 to the 1990s, the Cameroonian higher education system, like those of many other developing countries, was unable to adapt adequately to the changing needs of its socio-economic and political environments. The main problems confronting higher education at the start of the 1990s were a language imbalance through the dominance of French, a dramatic growth in student enrolment without a corresponding increase in infrastructure and staff appointments, high drop-out rates, outdated curricula, high unemployment rates among university graduates, and insufficient public funds. Drastic measures were needed and in 1992/93 the government initiated a number of far-reaching innovations in the higher education system.

The main measure taken was the creation in 1993 of five new universities in a system that until then had only one university. This was intended to increase the overall participation rate and it was hoped that the enlargement of the system would provide for higher levels of non-governmental funding through introducing tuition fees, amongst other things.

The government had several intentions with respect to the new university system: first, to provide the universities with more academic and management autonomy; second, to give all Cameroonians who were qualified, the opportunity to obtain university education; third, to make university programmes more professional and more responsive to market forces; fourth, to make universities more accessible to local, regional, national and international communities; fifth to decongest the overcrowded University of Yaounde; sixth to make better use of higher education infrastructure, facilities and services; and finally, to revive and maximise inter-university and international co-operation (Ngwana, 2001). Furthermore, one of the five new universities was an English language institution and in this way the government hoped to deal with the problem of language imbalance.

According to an evaluation carried out in 1999 (ADEA/WGHE, 1999) the reforms were initially successful. Student enrolments increased rapidly in all universities leading to a more balanced regional distribution of, and participation in, higher education. The overall teacher/student ratio improved from 1:54 in 1992/93 to 1:34 in 1995/96 and the drop-out rate decreased. The universities were accorded greater administrative autonomy, while the newly introduced student tuition fees covered around 30% of the institutions' budgets.

Looking more closely at the developments after 1993, however, a number of weaknesses can be observed. Firstly, the English language university did not receive the amount of funding required to enrol all eligible English language students, with the result that many applicants were rejected. Their only options were to enrol in one of the French language institutions or to stay out of higher education. Secondly, there were still not enough places in the new university system to enrol all eligible students. As a result, Cameroon saw the rapid growth of a private higher education sector which the government has not been able to regulate, to ensure, for example, that quality and equity prevail.

Thirdly, the growth of the system was accompanied by mismanagement, a lack of adequate management capacity at all levels, and inadequate academic staff capacity. Public funding of higher education remained a problem with insufficient and irregular allocations, and international donors were reluctant to provide financial support because of the lack of transparency, amongst other things, of the higher education system. Finally, the instruments to be used both by the government and the individual institutions in the new steering relationship were either absent or totally inadequate.

An examination of the Cameroon experience through the lens of the analytic triangle suggests that Cameroon is a state that is being influenced, amongst other things, by global forces (such as the World Bank and Unesco) and is attempting to change its steering approach with respect to higher education. As was shown above, it is aiming at greater institutional autonomy, more non-governmental income for the institutions, and greater awareness of the need for academic quality. The Cameroonian state is stepping back, hoping that a more direct *interaction between institutions and society* will result in a better functioning, more responsive, and better funded university system. Although some positive quantitative effects of the reforms can be discerned, Cameroonian realities have caused major problems in the introduction of the new steering approach and the implementation of the reforms. As was shown above, these include inadequate government funding levels, management capacity problems, academic staff shortages, insufficient student places in the public institutions, and a lack of appropriate policy instruments. These implementation problems in turn led to a number of social pressures in the *society/institutions relationship*, resulting in the rise of a private higher education sector that is not regulated by government.

An interesting comparison emerges with the Indian and South African higher education reform experiences. In India and in South Africa, as will be argued in this book, the role of vested institutional interests played a major role in the failure of the respective governments to implement their proposed policies. In Cameroon the failure seems more a case of a lack of appropriate institutional infrastructure such as policy instruments, management and academic staff capacity, and adequate and stable funding. Major efforts on the side of the government and the institutions in Cameroon are needed in order to prevent the higher education system from sliding back to a pre-1993 situation.

5.5. Japan – a tension between quantity and quality in the post-massification period

Japanese higher education is characterised by, amongst other things, a high participation rate (>50%), a large private sector, and a strong national (that is, public) sector that forms the top of the status hierarchy. It is a mature system that is confronted with issues and reform challenges quite different from those in the four systems discussed above.

The Japanese system of higher education has grown dramatically since the 1960s. The massification of Japanese higher education consisted of quantitative growth without an accompanying focus on the necessary qualitative adaptations. The public sector aimed to sustain the quality of academic work by limiting its expansion, while the private sector expanded rapidly. As a result, by the end of the 1990s about 25% of all students were enrolled in public institutions and 75% with private providers. (However, in 1999 almost 70% of the graduate students were enrolled in public institutions.)

The rapid quantitative expansion of Japanese higher education implied a convergence towards homogeneity, uniformity and standardisation which, in turn, led to all kinds of qualitative problems. Now that the quantitative growth of higher education has more or less stabilised, the government has introduced qualitative reforms to solve the problems created by the massification of the system. It is now using a combination of market mechanisms and governmental instruments and actions to strengthen the qualitative side of the system.

Consequently the main policy challenge for the Japanese government is to stimulate Japanese higher education to become more diversified in the 'post-massification' era. The challenge has become more urgent as a consequence of the Japanese economic crisis and the assumed role of higher education in economic development. It is complicated, however, by the historical development of Japanese higher education institutions which has led to a situation in which, today, research is being prioritised over teaching.

Japanese higher education is dominated by a research paradigm stemming from a 'German university model' introduced at the beginning of the 20th century in the public university system. Although the further development of the higher education system after 1945 was based on a US university model, the research paradigm remained one of its pillars. This explains why there is a strong research orientation among the staff in all the institutions in the massified higher education system – whether they be high-status imperial research universities or two-year junior colleges.

One consequence of this emphasis on research has been the neglect of teaching by most staff members in the higher education institutions. The Ministry of Education tried to address this issue on the basis of recommendations made by the University Council, set up in 1987. The first set of initiatives sought to reform undergraduate education by integrating general and professional education curricula, and by moving away from the traditional homogeneous teaching model so as to bring teaching practice more in line with the diversified needs of the mass higher education system. Neither strategy has been successfully implemented to date, mainly for intra-institutional reasons.

The second set of reform initiatives was concerned with the increasing reliance on market mechanisms in higher education co-ordination and steering, as well as the introduction of formal evaluation mechanisms. Through the lens of the analytic triangle,

these reforms can be regarded as Japanese responses to the pressures stemming from global reform trends and ideas. They suggest that in Japan the emphasis in higher education steering and policy-making is shifting from *the state/higher education institutions* relationship to a stronger emphasis on the relationship between *the society and higher education institutions*.

An example of this shift can be observed in the developments concerning the evaluation of the quality of teaching and research. In the early 1990s, the evaluation consisted of a self-evaluation followed by a peer review; at the end of the 1990s the University Council criticised this approach and recommended the establishment of an independent national evaluation agency. Such an agency, called the National Institute for Evaluation, was indeed set up in 2000. It is presently focusing on public institutions and not on private institutions because the government wants to align the allocation of public funds for higher education more closely with the socio-economic needs of the main Japanese stakeholders. The re-allocation of funds on the basis of institutional performance is also intended to strengthen the global competitiveness of Japanese universities. In practice this means that the former imperial universities as 'key institutions of graduate schools' have received up to 25% more funding each year, while the other public institutions have received no extra funding.

In addition, from 2002 onwards, the public universities have to transform into 'independent management agencies', a legal structure which has features of both a public and a private institution. This can be interpreted as the Japanese version of the privatisation of public higher education institutions, a development which is all the more remarkable given that 80% of the institutions are already private (comprising some 75% of the student enrolment by the late 1990s, as was mentioned above). One explanation might be found in demographic projections. The size of the 18-year age cohort will drop dramatically until 2010 and it appears that the government intends reducing the total number of institutions on the basis of competition instead of through direct government action (Arimoto, 2001).

What is interesting is that initially both the national and global reform efforts showed implementation problems. As in India and South Africa, vested academic and institutional interests seemed to resist the initiated reforms successfully. Now, however, a clear interaction between national and global reform agendas can be observed in the Japanese higher education system. Nationally and academically oriented curricular and teaching reforms go hand in hand with the introduction of performance evaluation linked to funding, and the strengthening of inter-institutional competition.

5.6. USA – market competition may not have increased efficiency and effectiveness

According to Clark's (1983) triangle of co-ordination, the co-ordination of US higher education is dominated by the market. In terms of the analytic triangle presented in this book, it is the interplay between the society, higher education institutions and government that is of relevance for understanding recent changes in US higher education, as Dill (2001) demonstrates. Dill indicates that during the post-1994 period the US higher education system confronted many of the same forces for change as did

other systems in the world. These included enrolment growth, which was very uneven across states, declining units of resources in public higher education, new forms of quality assurance, and innovations in Internet-based higher education.

For Dill there are three distinguishing features of the current US system. Firstly, there is the influence of an emerging national higher education market on the diversity and the size of the system; secondly, the decentralised nature of government policy-making; and thirdly, the large private sector in higher education. In terms of the student market, many institutions found that changes in national testing, financial aid, transportation and communication resulted in their recruitment market getting much bigger. Instead of being limited to a regional market, the institutions started recruiting more and more students from a national and, in some cases, even international higher education market. This resulted in many regional higher education monopolies coming under competitive pressure for students, resources and prestige – competition which has altered the programme structure and the management of institutions.

In terms of the analytic triangle which this book seeks to explore, it was expected that in the relationship between US *society and the higher education institutions*, it would be market-related interactions which would ensure efficiency and effectiveness. An example that undermines this assumption concerns the worries in the post-1994 period over the fact that in both public and private sectors, the increase in tuition fees consistently exceeded inflation. In addition to numerous state level attempts to curb this trend, a federal congressional panel was appointed and the ‘jawboning’ contributed to slowing down tuition increases. By the end of the decade, however, tuition fees were still rising and exceeding inflation.

Another example concerns the decision of the Clinton administration in 1992 to establish State Post-Secondary Review Entities that would provide greater rationalisation and monitor institutional effectiveness through consumer-based accountability measures. The higher education community responded by forming a National Policy Board on Higher Education Institutional Accreditation to support and develop public understanding for voluntary self-regulation and the accreditation of a myriad of existing agencies. These proposals for reforming academic accountability fell apart in 1994 when the Republican Party gained control over Congress. By the end of the 1990s a ‘number of objective observers had concluded that while there had been a great deal of discussion about student assessment in the US system and several interesting institutional experiments, the assessment movement had generally failed to have any systematic influence on improving student learning’ (Dill, 2001:6).

Based on these examples, Dill concludes that in terms of efficiency and effectiveness, ‘the lack of national benchmarks for student learning as well as processes for aligning local standards contributes substantially to the “academic arms race” in pursuit of prestige based upon entering student test scores and research rankings. This imperfection in the US market for higher education, along with the weaknesses in student finance, help to explain the conclusion that market competition in the US system appears not to have produced the expected social benefits of increased efficiency and effectiveness’ (Dill, 2001:7).

While the US higher education system does not seem comparable to the South African system, it can be argued that in the USA attempts at federal steering produced

more unintended consequences than actual planned change, that institutions will seek to counter state initiatives, and that societal electoral changes can have more effect, even if negative, than state plans and policies. It also shows that the market is by no means a perfect mechanism for improving efficiency and effectiveness.

5.7. Australia – the interplay between management capacity and political will

Australia can be regarded as one of the prime examples of how the interaction between government intervention, institutional responsiveness and the active stimulation of market forces brings about major reforms, the outcomes of which differ in many respects from the original intentions of the reformers.

Meek comments that in the last decade, and particularly during the period 1994 to 1999, it was the federal government's political intention to shift the funding of higher education from the state to the consumer, and to treat higher education more as a private than a public good. Little of this could have been accomplished had it not been for the capacity of the institutional managers to become much more corporate-like and entrepreneurial in the running of individual institutions. However, things have moved so far in the direction of privatising public higher education that government policy and management's complicity with it are in danger of creating an era of higher education mediocrity from which the system may never recover (Meek, 2001:2).

Australian reform started through strong government intervention in the late 1980s when the new Labour government embarked on a set of dramatic reforms that abolished the binary divide and created a unified national system with a much smaller number of significantly larger institutions. Underpinning this were the following long-term trends: a shift in costs from the state to the individual; enhanced national and international competition for students and research funds; more accountability (with some performance-based funding); greater deregulation; and an increased reliance on diversified income sources.

The new federal government of 1996 introduced much stronger market steering mechanisms by reducing operating grants, putting an end to the practice of the commonwealth supplementing salaries, and demanding the return of funds for enrolment targets not met. The privatisation of public higher education and the introduction of market-like relationships to achieve both greater institutional efficiency and adaptability became national policy goals.

In summary, the changes can be described as having been driven by reduced public expenditure, increased emphasis on efficiency and resource utilisation, performance assessment, institutions having to make a demonstrable contribution to the economy, and the strengthening of institutional management.

In assessing these efforts, Meek points out that institutional management has been very successful in finding additional resources. For example, the introduction of a market approach led to the enrolment of 157.000 foreign students contributing \$3-billion in 1999, making the education of overseas students one of the countries largest export earners. In Meek's view, these reforms have had three major effects. The first is the corporatisation

of higher education institutions which is resulting in the decline of traditional methods of collegial decision-making. Secondly, although market competition was supposed to stimulate diversity, there are increasing concerns that instead of a diversified range of institutions creating their own, different, forms of excellence, many of the weaker institutions are becoming pale imitations of their more powerful and prestigious brethren. According to Meek it would seem that formally regulated and separate policy environments are better suited to encouraging differentiation than market competition.

The third and the most serious negative effect, is the reduction of investment in research and infrastructure. Although the government recently produced a research and development plan which depends on state and business investment, the concern is that it will not be enough to address the backlog.

The Australian higher education reform process has been one of the few in the world in which all three actors represented in the corners of the analytic triangle have been actively involved. Government reform in higher education was driven mainly by a global reform agenda, bringing into play both the market and the institutions. Although the aim of institutional restructuring was to develop bigger, more comprehensive institutions, the institutions were not instructed with whom to merge; rather, a set of financial levers were put in place to stimulate mergers and incorporation. The state also stimulated expansion by providing incentives for increasing student numbers and attracting foreign students. And in the latest election, higher education became a significant issue in the election campaign.

Not surprisingly, the reforms had unanticipated outcomes, such as a weakening of the research and infrastructure base, and the development, perhaps, of less, rather than more diversity.

6. CONCLUSION

The policies and reform experiences in each of the seven countries discussed above reflect the complex realities of higher education policy processes that are also visible in post-1994 South Africa. Such policies and reforms have been initiated in a period characterised as an age of transformation. Our societies, with economies that have for a long time been based on manufacturing, are transforming into knowledge societies. In addition there are many manifestations of the growing impact of global forces, structures and connections on national economies. As a consequence, the effects of higher education policies initiated and implemented at a national level can no longer be understood solely by examining the policy process in a national context. It was widely assumed until recently, both in policy practice and the scholarly field of policy analysis, that a policy process is a causal, linear process consisting of a number of phases that could each be examined separately, i.e. initiation, decision, implementation, evaluation, and feedback. Practical and theoretical disappointments have gradually led to the recognition that a policy process might be more interactive in nature than causal and linear.

This book tries to address these complex realities of the higher education policy process in the 'network of co-ordination' triangle. The interactions of state, society and

higher education institutions have changed rapidly and dramatically in many countries, including South Africa, as the remainder of this book illustrates. We have also included in our triangular figure the growing influence of global trends and ideas on these national interactions. This inclusion, however, does not imply a deterministic influence. The main regulatory and funding responsibilities with respect to higher education remain in the domain of the nation state. While there is the undeniable impact of global reform trends such as competitiveness, responsiveness, efficiency and effectiveness on national higher education debates, it is still up to the national political structures to make decisions about the level of public investment in higher education and the way in which these investments are going to be allocated. In addition, the regulatory frameworks within which higher education has to operate are determined by national politicians, even though supra-national decisions are having a growing influence on national regulations as, for example, in the EU member states.

The interactive nature of the policy process, the number of actors involved in policy-making and policy-implementation, and the growing but uncontrollable effects of the reform modes of thought offered by globalisation provide some of the explanatory frames necessary when trying to account for the differences between policy intentions and policy outcomes. In South Africa, as in other countries, these differences have been interpreted as implementation failure, but in our view this explanation is too superficial. While the policy implementation process can be improved generally, for example by a more effective use of policy instruments, even an improved policy implementation process would never guarantee an optimal outcome. We live in an 'age of side-effects' (Beck, 1994:175), implying that we are regularly confronted with the unintended effects of our human interventions. The biggest challenge presented to us by these unintended effects is to learn from them. There is room for improvement in the policy process. We need to and can learn much more about what works and what does not work. From that perspective the notion of responsiveness is highly relevant – not just for the higher education institutions in their relationships with the state and society, but also for state authorities. They should be responsive to the unintended effects of their interventions, not by blaming the higher education institutions, globalisation or capacity problems for any implementation failures, but by trying to understand the how, what and why of the unintended effects, and use this understanding in future policy processes.

This also applies to South Africa. This book is an attempt to analyse the post-1994 higher education reforms and policies from the perspective of original policy intentions and actual outcomes. The policy processes analysed in the chapters which follow provide clear examples of policy intentions and unintended effects and outcomes. These examples are uniquely South African, but they fit the global higher education reform trends which have been discussed in this chapter. We hope that positioning the post-1994 South African higher education reform experience in its global context will help to bring home the fact that policy implementation problems are unavoidable and attempts at reform inevitably have unintended effects. In Chapter 13 we return to these problems and unintended effects, and provide some analytical tools that will contribute to understanding the underlying reasons for their manifestation.

NOTES

- 1 Some scholars (e.g. Olsen, 2000) interpret these global reform trends as ideologies. Since we realise that the term ideology is somewhat controversial in the South African context we will use in general the term 'trends'. However, the Concise Oxford Dictionary interprets ideology as 'a system of ideas and ideals forming the basis of an economic or political theory' (2001) and is in line with our interpretation of these global trends. We do not see the ideas and assumptions underlying the global reform ideologies with respect to higher education as part of a 'globalisation conspiracy', but we do assume that they assert consistent pressure on the way in which higher education is reformed throughout the world.
- 2 Slaughter and Leslie (1997:31) also refer to these societal transformation processes in their discussion of the link between globalisation theories and higher education for four English speaking countries (Australia, Canada, United Kingdom, and the USA). They state, for example, that at first glance, globalisation theories do not seem to speak directly to higher education. However, they do outline the magnitude of the political economic changes occurring across the four countries. 'These changes are putting pressure on national higher education policy makers to change the way tertiary education does business.'
- 3 It is from this perspective that Neave (1988) discusses 'the rise of the evaluative state' and Power (1997) the notion of 'the audit society'. See also Henkel (1991).
- 4 For a concise and informative synthesis of these trends from a South African perspective, see Singh (2001).
- 5 For an application of Olsen's models in the European context, see Gornitzka and Maassen (2000).
- 6 The authors referred to earlier in this book can be recommended as excellent introductions to the many attempts to conceptualise globalisation, i.e. Castells (1996), Held and his colleagues (1999), and in the context of South Africa, the book edited by Muller, Cloete and Badat (2001).
- 7 This point is also made by Slaughter and Leslie (1997:12) who indicate that 'movement toward academic capitalism is far from uniform; indeed it is characterised by unevenness. Even within the English-speaking countries, there exists a continuum on this dimension, with Canadian academics probably least involved with the market and US academics perhaps most involved.'

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