



**Conference on Public Responsibility for Higher Education and Research**  
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# **SYNOPSIS OF SPEAKERS' CONTRIBUTIONS**

Directorate General IV: Education, Culture and Heritage, Youth and Sport  
(Directorate of School, Out-of-School and Higher Education/Higher Education and Research Division)

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## **Prof. Luc Weber - “The public responsibility for higher education and research”**

1. Introduction
  - 1.1. Aim of the conference (why the theme is important)
    - 1.1.1. Globalization and the knowledge society
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  - 1.3. The public responsibility for higher education and research
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2. Nature and scope of the public responsibility for higher education
  - 2.1. Introduction: the roles and instruments of the public sector
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  - 2.2. Main aspects of the public responsibility for higher education
    - 2.2.1. Secure a sufficient level of higher education and research
      - 2.2.1.1. The importance of the constitutional and legislative framework
      - 2.2.1.2. The importance of public funding (whatever the channels)
    - 2.2.2. Secure a fair distribution of higher education opportunities
    - 2.2.3. Secure a quality higher education and research sector
      - 2.2.3.1. The importance of quality assessment of higher education and research institutions
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      - 2.2.3.3. The importance of regulating private and transborder activities
    - 2.2.4. Secure a stimulating environment
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      - 2.2.4.3. The importance of competition
        - 2.2.4.3.1. For the institution
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      - 2.2.4.4. The importance of financing formulas
      - 2.2.4.5. The importance of being attractive to good students and staff
      - 2.2.4.6. The importance of making stakeholders responsible
3. Conclusion
  - 3.1. What do we know?
  - 3.2. Further work to be done

## **Dr. Aleksandar Shishlov<sup>1</sup> – “The context – trends in society and reflections on public responsibility”**

Last decades demonstrated a complex trends in public responsibilities development: both development towards increased public responsibilities and on the other hand an increased emphasis on private economic activity and deregulation of important sectors of society. This trends covers such areas as education, public health, consumer protection arrangements, improved social security, as well as public standards for the environment, business accountability and some other areas where one can see considerable public involvement. At the same time there are opposite trends against the extent of public activity in telecommunications, transport, public provision of a number of services (e.g. electricity, garbage collection) and public monopolies (e.g. broadcasting).

On the basis of overall considerations of these trends the analysis of reflection of public responsibilities in education is presented. The comparison of different European experience is discussed with the emphasis on the reforms in Russia which seems especially interesting due to the transition from totally state-oriented education system.

The importance of higher education for the national development, increasing of people's living standards and the development of competitive economy is the basis of the analysis. The growth of mass higher education and public demand for so called general (not professional) higher education is compared with the needs of labour market. The role of education not only for labour market demands but for active citizenship and participation in democratic society is stressed.

The areas of public involvement in education are divided into groups of exclusive, predominant and supplementary responsibilities. For instance the qualifications framework and cross-country diploma recognition are considered as exclusive state responsibilities. The benefits of state-oriented and professionally oriented quality assurance mechanisms are compared.

The issue of equal opportunities for access to higher education for different social group seems important in terms of the role of the state and society. The different university entering procedures and student's funding are compared.

The problem of academic autonomy is discussed in the context of public student support and protection of their rights as well as basic state regulations for state owned universities. The possible difference in the approaches to the responsibilities in two different tiers of higher education is discussed.

The distribution of responsibilities between national state, regional and municipal authorities is discussed, and the problem of transferring of responsibilities from the government in case it reduces its mandate for some reasons is analysed. The questions of who may exercise public responsibility, what can be the role of different types of public authorities and public non-governmental bodies are discussed.

The role of public financial responsibilities such as budget policy and taxation are analysed and the influence of demographic trends to redistribution of responsibilities are discussed in the context of political decision-making process.

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<sup>1</sup> Dr.Alexander Shishlov is former Chair of Russian State Duma Committee for education and science and currently is Education programs Director in St.Petersburg Center for humanities and political studies “Strategy”

## **Plenary presentation – “Higher education and research – public responsibility for what?”**

### *Preparation for the labour market – Guy Haug, European Commission*

The presentation will focus on the meaning and significance of "employability" in the Bologna process and in the EU's Lisbon strategy. It will emphasize that paying attention to employability has been part of the mission of universities all along the centuries during which they educated lawyers, doctors, teachers, researchers, etc. and that employability is not exclusive of the cultural and citizenship aspects of higher education. The presentation will stress the importance of:

- sustainable employability and lifelong learning, rather than the mere preparation for short term access to a job;
- the need to prepare graduates for an open, European and international labour market;
- the essential role of the diversity of profiles of courses, institutions and graduates;
- the keystone function in Europe of a user-friendly, predictable system for the recognition of qualifications.

### *Public responsibility for information on higher education – Johan Almqvist, ESIB – The National Unions of Students in Europe*

It's a great pleasure to speak at a conference on a topic so important and so dear to ESIB as the Public Responsibility for Higher Education, and even more so as the conference is organised by the Council of Europe.

However, when I was first invited, I was somewhat disappointed by the topic that I was invited to present on. Having thought about thoroughly, I think I have changed my mind!

The public responsibility for information concerns many crucial but apparently unrelated areas. Let me start by two topics that are on everyone's mind, not least through the Bologna Process: Qualifications Frameworks and Quality Assurance. In the European tradition of higher education, it is quite clear that these two are areas for "public" efforts and even intervention.

Qualification Frameworks, even though they were not as common and well-defined a concept as they have become over the past few years/months, have been in existence all over Europe, and the forerunners of the current developments are, in my mind, the countries that have had the weakest "public" or rather state regulation up to now. I think this clearly makes the argument for the necessity of public QF's – a form of information. The quest for swift, fair and open recognition procedures across borders only accentuates this need.

Quality Assurance and Accreditation are another form of Information that requires some sort of public intervention, and also this case is already made within the Bologna process and I will not argue it at length here. I would only want to point to the need for the actual information from these processes to be public, and especially note how a public system can retain control of the means of publication to curb developments such as ranking, which seems largely unapplicable to organisations as complex as HEI's.

Other issues are not as obvious, but quite as important – not least as support to the much-cited Social Dimension. Let me start by another quite obvious one: Information and Mobility.

Transparency in General: as I've already mentioned regarding Qualification Frameworks, transparency is a prerequisite for mobility, especially if we want to attain full horizontal mobility for free-movers, which at least is my personal dream.

The importance of Guidance & flexible learning paths must also be mentioned when speaking about information and the public responsibility: students, and especially potential students from non-traditional backgrounds, need guidance that spans the entire system, and only public authorities are in a position to give this guidance, which should also be interwoven with information on study finance and other social aspects.

***The contribution of higher education and research to the knowledge society – prof. Paolo Blasi***

The evolution of society in the last two centuries has been amazing and has proceeded by many steps: the agriculture society, the first industrialization, the second industrialization, the post-industrial society, the information society, and, last, the knowledge society.

The interacting context for people has changed dramatically. From the village, to the region, to the nation, to the continent, to the whole world, that characterizes the knowledge society and the globalization phenomena.

New problems ask for new solutions: how to manage the development of poor countries, how to deal with the impact of the information that affect every body every day, how to manage the multicultural character of the new societies?

Other problems as air pollution, drinking water availability, waste management, etc can be faced and solved only at global level with global collaboration. This is the reason why information society must become knowledge society and the knowledge society should evolve in the wisdom society in order to face the new world situation. This asks for a deep change of mind and behaviour primarily in developed countries.

Knowledge means awarded utilization of information, wisdom means to behave following a shared knowledge.

If this is the frame and these are the perspectives of our society it is very important to educate and train people for living and acting properly in this new society.

Universities, colleges, higher education institutions, research centres have to play a crucial role and public authorities should have the main responsibilities in providing funds for these institutions.

First of all higher education becomes a must for everybody in the knowledge society: the Bologna process was set up to provide a new common frame to the teaching and learning for the European universities in order to turn from elite institutions to mass higher education institutions. The main objective is to raise the level of education for as many as possible people.

A problem is still there: how to implement the teaching and learning for the cleverest people in order to exploit completely their potentialities. This is their own interest but also interest for the whole society.

Mass higher education in my opinion should be mainly focussed in developing the 'core competences', i. e. the skills necessary to live in a complex and very interacting society. Some of these 'core competences' are the capability to learn, to listen, to interact, to communicate, to be active and proactive, to solve problems, to understand other cultures and religions, etc. This implies for example to be able to manage the information and communication technologies, to speak and understand other languages, to be aware of one's own cultural identity.

Curricula and the way of teaching need to be changed and shaped to the new objectives. A multidisciplinary approach to the problems should be encouraged.

A word which synthesizes well the necessity of a new approach, new solutions, new education is 'innovation'. Therefore we have to develop the research activities and we have to train more and more people to have an active role in research.

Research not only provides the necessary background for innovation but also creates a suitable environment for education. More and more students not only at doctoral level but also at graduate and undergraduate level must have the opportunity to make stages in research groups as in other working environment.

As higher education and research are becoming more and more strategic activities for a new kind of development for our knowledge society (my dream is to see the dawn of a wisdom society!) the governments should invest more and more public money in research and higher education institutions. Universities appear as the most suitable institutions for developing integrated activities of higher education, research, and innovation, and therefore they should be the main destinations of new public and private funds devoted to development.

On the other hand as universities would be committed also to develop innovation throughout the transfer of knowledge to the whole society, integration between universities and industries and other services organizations should be improved and facilitated by public authorities.

### ***Public responsibility for research and access to research results – prof. Jaak Aaviksoo***

#### 1. Context

In recent years several global trends are affecting the status of research in economy and society among them the increasing impact of research, technological development and innovation on economic development, pressures on public spending and increasing commodification of different knowledge services. All this calls for a reconsideration of the balance between public and private interests and responsibilities. This in turn impacts a wide spectrum of public policies: from R&D and education to public health and security.

#### 2. From knowledge as a public good in the service of human progress towards its commodification in private interests

Since enlightenment knowledge has been perceived as the universal source of human progress and thus it has been considered both a public and a private responsibility to make knowledge

accessible to everybody through education and research and free dissemination of research results. At the same time know-how has been considered a private asset and legal protection has been provided to afford its use for economic profit. Knowledge and know-how have lived different lives until the emergence of the knowledge economy where basic and applied research, knowledge and know-how get intermixed both in content as well as in their (profitable) use and so pressures increase to limit access also to knowledge and make it a marketable commodity or at least to exploit it privately as long as possible.

### 3. Basic rights and access to research and its results

One of the basic human rights is the right to education. We understand education as a free and publicly facilitated access to the global wealth of knowledge humankind has created through practical experience and research. If this free access to the body of human knowledge is limited we are effectively stripped of the right to education. Contemporary education, especially on the university level, entails research education i.e. access to research (facilities) is a prerequisite of quality education. We may conclude that extensive privatization of research and commodification of its results threatens the right to education and calls for some public regulation. It is also evident that scientific research may bring about discoveries that threaten public interests on local as well as global scales. With the present terrorist practices at hand we have to be extremely cautious and control, and possibly limit, private research in potentially dangerous domains on the global level. It is also a security concern in the case of the „rogue states“.

### 4. Threats to the public credibility of science

The reputation and credibility of science and scientists relies heavily on two principles – openness and impartiality. The principle of verification lies at the very heart of the scientific method – every scientific result has to be accessible for unlimited verification and public scrutiny before it establishes itself as a reliable result. Inability to guarantee that access reduces the reliability of the results and decreases the general credibility of science. The same results from the lack impartiality which is easily incurred by accepting private funding in a combination with limited publication of the results. There is a great danger that as a result of uncontrolled and unlimited privatization of research science at large loses its public credibility and therefore fails to fulfill its mission as an objective and impartial source of reliable information especially in face of serious threats to the public interest such as global warming, genetic manipulations or nuclear energy.

### 5. Financial questions

It is evident that in the emerging knowledge economy research, technological development and innovation ask for an ever increasing share of the national income. It is also evident that public spending alone cannot meet the economically and socially grounded need for research expenditure and that private interest may yield a more cost-efficient return of the research effort. Therefore a balanced private-public partnership has to be established including public support of private research, however, only by bearing in mind the aforementioned risks that call for sensible public control of the whole organisation. It may be necessary to give the governments (or legitimate international organisations) the right to expropriate the research results for a just compensation in case of excessive public risks (or considerable public profits?) in sight.

### 6. Ethical questions

In addition to the general and financial questions discussed before there are several ethical issues that need to be addressed. The most important one is to what extent may a private

knowledge be used for (unlimited) private profit as e.g. in the case of vaccines and drugs to fight such diseases as AIDS. Another ethical question concerns the limits to free research into potentially dangerous areas such as stem cells or human cloning. Is a public ban on this research a solution or rather an increased threat through moving the unwelcomed research into closed private laboratories or potentially dangerous states.

### 7. Conclusions

The recent global trends have raised a number of questions concerning the increased public responsibility for research and research results, which entail both huge public and private benefits but may also pose serious threats to public interests. It is evident that we need a more thorough public debate of these issues to avoid unexpected outcomes of the privately driven knowledge economy and public discontent for the misuses of the new knowledge. These threats call for a stronger public control of the research organisation on the national but also international level. This in turn is impossible without strong and competent public research institutions which, complementary to special intelligence agencies, are open establishments and reasonably independent of major private interests. In the present situation these institutions are first of all major public universities which have to be charged by an additional mission of openly and critically monitoring the (inter)(national) research for any possible threats to the public interests. This mission can only be carried out in the case of sufficient public funding to allow for necessary independence and competence. It is only by this means that knowledge may be advanced without risk to harm the society at large.

## Plenary presentation – “The public responsibility for higher education and research”

### *New trends in higher education, including new providers – prof. Stephen Adam*

European higher education has undergone profound changes in the past 5 years and the nature and pace of this transformation is unlikely to slow. Obviously, many of the innovations experienced have been associated with the Bologna process and the creation of the European Higher Education Area. However, we must not forget that this is itself a product of many factors including: globalisation, real/imagined pressures on government expenditure, a desire to modernise antiquated educational systems and practices, mass participation in higher education, the headlong rush for ‘knowledge-based economies, etc.

The traditionally serene higher education sector is finding its agenda is crowded with initiatives and buffeted with a multiplying number of unfamiliar challenges that cannot be ignored. This brief review of ‘new trend and new providers’ seeks to chart broadly what is happening as well as provide some insights and questions about the implications for the conference theme – ‘public responsibility for higher education and research’. It also seeks to highlight some of the different dimensions that ‘public responsibility’ might encompass – a cascade of responsibilities that might include the citizen, student, institution, local community and ministry as well international organisations.

So what are some of the new trends and new providers and who, if anyone, should assume responsibility for their impacts? Are we moving into stormy weather or calm seas? The evidence points to something akin to educational global warming – more turmoil, unsettled government reactions, and even an increase in educational temperatures! The ‘new trends’ can be seen to manifest themselves at three interconnected levels: (i) local (ii) national/regional and (iii) international:

- (i) Local - trends impacting on higher education institutions (HEIs)

Changing educational environment: The role of HEIs and the environment within which they operate is transforming. There are increasing financial pressures, more competition, additional students of different types and requirements, increasing institutional diversity (educational missions) and closer links with industry. The role of the university is being challenged in ways they never have before. Universities and markets are uneasy bedfellows yet their marriage is becoming more common as universities embrace business models.

Increasing institutional autonomy and resultant internal structural reforms: The changing role, size, shape and nature of HEIs are leading to consequential changes in internal organisation, staffing, administration, autonomy, and accountability. There is an increasing focus on the responsibility of institutions to improve their internal good governance as well as introduce more efficient organisational structures. Still absent from many institutions are: open meetings, minuted decision-taking, fair appointment practices, full public/staff accountability, etc.

Organisation, content and expression of the curricula: A paradigm change in the organisation and expression of the curricula is underway. New style approaches to the expression of the curricula in terms of learning outcomes, credits and the adoption of student-centred learning highlight the role of teaching and learning and assessment. The challenge of new delivery technologies (open/distance, e-learning, etc) also raises questions about their standards, recognition and control.

Cheating and plagiarism: The advent of new technologies - particularly the Internet - is posing a serious threat to the current processes and nature of the assessment of academic work.

- (ii) National - trends impacting on ministries, competent authorities and agencies responsible for higher education

New style qualifications frameworks: The rapid development and adoption of new qualifications frameworks (some encompassing lifelong learning) and the use of external reference points (levels, levels indicators, learning outcomes, qualification descriptors and benchmark statements) has profound implications for the relationship between the state, its agencies and HEIs.

Borderless education: Transnational education (including corporate, for-profit, not-for-profit, franchises and branch campuses) is an ever-increasing phenomenon and the advent of new education provider poses significant challenges to traditional patterns of education and the authorities responsible for them. Many countries continue to display a schizophrenic attitude towards imported education whilst heavily promoting the exportation of their own. Transnational education has profound and complex effects on different sectors, cycles and types of education and public authorities are often confused on how to react. Its chameleon-like nature means it is not amenable to traditional approaches to regulation and too often states are ignoring the problems by allowing 'illegal education' to flourish in an uncontrolled manner that leaves the citizen unprotected. Transnational education interacts with traditional education in both benign and malign ways and this has paradoxically lead to over and under-regulation.

- (iii) International - trends impacting on international organisations and institutions.

The global educational world is transforming rapidly as states and regions seek to benefit from more aggressive marketing of their education systems in order to attract students and export their programmes. A global education market is being created and the resultant increase in transnational education emphasises recognition issues and the role of international organisations active in this field (Council of Europe, European Commission, UNESCO, etc). Transnational education raises awkward questions regarding mixed jurisdictions and confused responsibilities. More recently GATS has disturbed traditional academe by questioning hidden subsidies associated with trade in higher education.

The emerging European Higher Education Area, to be completed in 2010, with its over-arching qualifications framework, Diploma Supplements, mobility mechanisms and coordinated policies for quality, transparency and recognition, is a new unknown in the global educational mix.

European education is faced with a number of significant questions. The emerging trends do not inevitably lead to an educational apocalypse but certainly a very different education world is being constructed. It is possible to conclude that:

New trends and new providers will increasingly have a profound impact at local, national and international levels that challenges us to re-examine our narrow notion of 'public responsibility' from its focus on the role of the state to encompass a series of reciprocal responsibilities by different actors at different levels.

The whole academic community needs to take a more dominant role, in shaping the newly emerging educational world, as active participants concerned to impart and protect core

academic and democratic values. This may also help us reflect a more sophisticated understanding of the evolving role of the university in the 21<sup>st</sup> century.

Borderless education poses a unique set of challenges that requires a more sophisticated and effective response by states than exists at the moment where most states are commonly failing in their public responsibilities.

***Framework/quality/provision vs. regulation – prof. Roderick Floud***

Throughout Europe, the relationship between government and higher education is changing. In many countries, universities are gaining greater autonomy from the state. In some, there has been a rapid growth of private institutions while, in others, previously state-funded institutions are being allowed or encouraged to charge fees to students and to seek funds from the provision of services to business and industry. In both eastern and western Europe, research activity that was previously separate from universities is being integrated with them in a variety of ways, while at the same time many governments are seeking to concentrate research funding within a subset of universities. Finally, although education as a whole, and university education within it, is not within the competence of the European Commission, the creation of a single market has inevitable consequences for universities, who are also engaged, with the active support or even direction of governments, in harmonising their activities under the auspices of the Bologna process.

Some of this change is specific to higher education, but much of it – perhaps more than is usually recognised within universities – is paralleled by similar developments in other public services. In many countries, governments are seeking to devolve responsibility for activities which were previously carried out by the state. Even when such devolution stops short of the wholesale privatisation which was characteristic, for example, of the UK under the governments of Margaret Thatcher, there are many examples of governments establishing separate agencies to carry out specific functions or introducing market mechanisms or “quasi-markets” within public services. Some have introduced, for example, distinctions between purchasers and providers which operate within public services while there have also been experiments in giving direct purchasing ability, for example through vouchers, to consumers of those services.

The roots of these changes are difficult to disentangle. Some of them, for example in the former Communist countries, represent reactions to previous regimes. Others, in western Europe, stem from attitudes expressed within ideas of “new public management”; these assume that the methods of private industry are necessarily more efficient than those of state control and therefore seek to import those methods into public services. However, for whatever reason changes in organisation or governance are introduced, governments are rarely willing to disengage completely. Whether because of bureaucratic inertia or because of a genuine public wish that the state should retain oversight, a decline in direct control is almost always accompanied by a rise in regulation. This often takes the form of the state setting targets for agencies and monitoring, sometimes in great detail, the work of the agencies to discover whether the targets have been met. “Accountability” is the buzz-word, but it is often unclear who is to be accountable to whom.

The growth of such monitoring has been well described as the rise of “the audit society” (Power 1997). Forms of oversight which had been designed for and previously applied only to

the financial performance of private firms were extended to cover public bodies and to those receiving public funds. At the same time, the scope of audit has been extended far beyond the financial or monetary and into such areas as quality of service, the achievement of social objectives such as combatting racial or gender discrimination, or the workflow of institutions as diverse as courts, universities and hospitals. Such audits have often seemed, to professional staff unused to them, to be intrusive and insensitive or to concentrate on the least important aspects of their service, because those are the easiest aspects to measure. The growth of audits seems, in addition, to signalise a decline in the trust which society previously reposed in such professionals to do a good job in the interests of the public good (O'Neill 2002; O'Hara 2004).

In the light of all these developments, there is little consensus on the optimum system for the provision of services such as education and health. Partly because the inputs and output of such services are inherently difficult to measure, it is often difficult even to know whether new organisational structures, or even new financial investments, have been worthwhile.<sup>2</sup> At the same time, it remains important to examine the assumptions which lie behind such changes as the growth of fee-paying by students, the increased autonomy of universities, or the demand that universities should be accountable, if not to the state, then to local governments or to an amorphous "public."

In order to examine such issues, this paper makes use of a methodology developed – but not applied to higher education – by Julian Le Grand in his book *Motivation, Agency and Public Policy: of Knights and Knaves, Pawns and Queens* (2003). Following Le Grand, the paper seeks to establish whether – in the interests of a more successful higher education system – public policy should assume that academics and university managers are knights, imbued with motives of public service, or knaves inspired only by their own self-interests. Similarly, it examines whether students should be seen as pawns, passive recipients of teaching, or as queens in control of their own learning. Systems of university management and governance, as of other public services, will differ radically according to the judgements made of such issues. In addition, the questions raised by Le Grand intersect with questions of whether professionals such as scientists or doctors can be trusted or whether their work requires constantly to be monitored and audited by outside agencies. The paper will, finally, consider the implicit and explicit motives of governments as revealed in recent or proposed legislation on higher education. Its overall conclusion is that a degree of trust, greater than is currently displayed by many governments, is essential for the efficient operation of higher education.

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<sup>2</sup> The UK government has recently set up an enquiry into the measurement of productivity in public services. This enquiry was triggered by the discovery that increased investment, for example in reducing the number of pupils per teacher, was being reported as a decrease in output per head.

### *Equal opportunities – prof. Júlio Pedrosa*

When Europe is aiming at having the most competitive knowledge based economy, higher education access to all those interested and prepared is a fundamental goal to consider. In fact, the opening of higher education to increasing numbers of students has been a continuing trend in developed countries over the last forty years which led to a change from elite to a mass provision of higher education studies. This movement started in the USA in the 1960's and is strongly pursued in various European countries. Such developments ask for attention to novel and challenging access issues (Williams, 1997; Chevaillier, 2002) that will be discussed in this presentation.

Open access to higher education means having a much wider range of candidates on the age group 18-21 and providing learning trough life opportunities to the adult population. Assuring equity, inclusive policies and practices are, therefore, fundamental responsibilities of political, social and institutional actors (Neal, 1998). Public funding, credit accumulation and transfer, modularisation, accreditation of prior learning are, certainly, issues connected with guarantying accessibility and equal opportunities to some of the new publics of universities.

The development of the Bologna Process, in the Berlin Conference of 2003, raised the issue of access to lifelong learning, although have ignored the massive access to initial education and training of younger population. In fact, the Communiqué of the Conference of Ministers responsible for Higher Education, who met in Berlin, on 19 September 2003, addresses that first issue in the following terms:

*Ministers underline the important contribution of higher education in making lifelong learning a reality.....They stress the need to improve opportunities for all citizens, in accordance with their aspirations and abilities, to follow the lifelong learning paths into and within higher education.*

Aiming at having much more students means also providing access and learning opportunities for a diversified population. In the USA, opening higher education to all led to a differentiation of the system and institutions that has persisted during the last forty years. The stratification observed in such a system provides important information and experience in what concerns the issues of ethnicity, gender and economic differentiation.

It is believed that a discussion of equal opportunities, in the Europe of knowledge, has to address both the questions of guarantying open access and of diversifying and differentiating higher education. And, since a diversified higher education system generates the problem of access to what, the distribution of different groups within the systems has to be carefully regulated. Here, again, the experience of opening access in the USA deserves close attention and study (Bastedo and Gumpert, 2003).

Any discussion on equal opportunities cannot, also, underestimate costs and financing. This is more justified when Europe is being seen as *the last bastion in the world of fully (or almost fully) tax-supported higher education* (Johnstone, 2004). In fact, *Ministers in the Berlin conference reaffirm their position that higher education is a public good and a public responsibility*. This means that it is appropriate to look at how national policies on university funding confirm that option and to discuss directly related questions. Indeed, both the systems and the institutions, together with facing novel challenges on what concerns accessibility,

student recruitment procedures, curriculum development and learning conditions, have to consider costs and funding for a large and diversified population.

The need for increasing funding has raised the issue of governance efficiency and efficacy, accountability and quality in a quite strong manner. A close link with academic autonomy can easily be established when discussing all these interrelated matters. It is our firm belief that the change from elite to mass higher education provision poses important and challenging problems which have not so far been adequately considered. The Council of Europe initiative of bringing the issue of equal opportunities to the higher education agenda is a major contribution for the future of universities in Europe. It is hoped that this initiative can stimulate awareness about access and equal opportunities in higher education on the developments of the Bologna Process.

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- *The Role of Universities in the Europe of Knowledge*, COM (2003)58, Brussels, 2003.02.05.

### ***Funding higher education: options and dilemmas – dr. Carlo Salerno***

This paper is presenting three options for the public funding of higher education, each based on a different steering philosophy. The three alternative funding models integrate arrangements for student support as well as for the private contributions (tuition fees) paid by students/graduates/employers. We will be discussing the advantages and disadvantages of the alternatives from the point of view of the key stakeholders, that is the students, education providers, government/taxpayers, employers/business. The paper is based on a study carried out for the Dutch Ministry of Education (Jongbloed & Vossensteyn, 2001) to which we have added new insights on demand-driven funding in the public sector.

### Introduction: funding mechanisms

For the classification of funding arrangements, two questions may be used: (Jongbloed & Koelman, 2000):

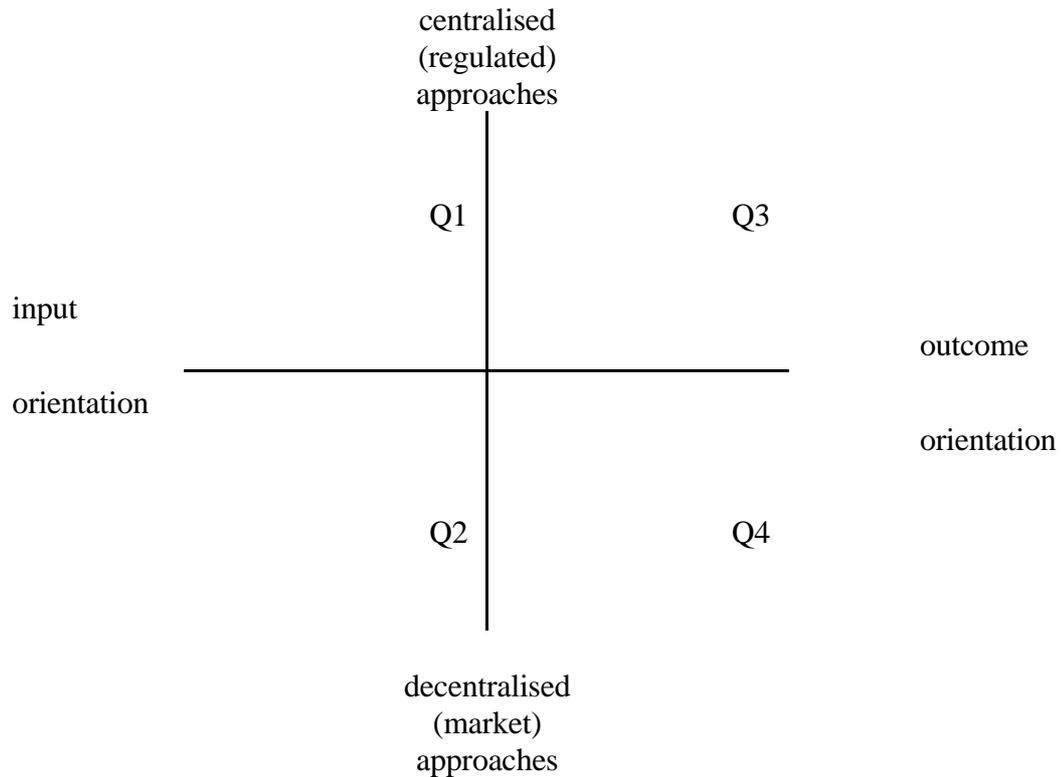
- 'what is funded by the government' and
- 'how is it funded'?

Question (a) concerns the *funding base* for the government allocations to HEIs: Are the funds tied to educational outputs and performance, or rather to inputs? Question (b) relates to the issue of the *degree of market orientation* in the funding arrangements. Whose decisions actually underlie the observed flow of government funds to HEIs, or: "what drives the system?" The answer to this question may be found by paying attention to issues such as: to what extent are funded numbers or funded (research) programs regulated (or planned) by central authorities? And: do HEIs compete for funds (i.e. students, research programmes)? Do they have the right to determine the level of tuition fees by themselves?

Question (b) relates to the issue of *market orientation* in the funding arrangements. One of the characteristics of market orientation is the degree of *competition* implied by the funding decisions. Or stated differently: "to what extent are funded student numbers or funded (research) programmes regulated (or planned) by central authorities or are the funding flows driven by the decisions of the clients (students, private firms, research councils/foundations) themselves?" The answer to this question may be translated into a measure for the degree of centralisation, from a highly regulated situation in which the government determines the funding centrally (for instance by prescribing the exact numbers of students for different programmes) to a situation in which consumer sovereignty (individual client decisions) drives the system. In practical situations, the degree of centralisation (or market orientation) will lie somewhere in between the two extremes. In diagram I, a vertical scale is used for depicting the degree of (de-) centralisation.

When the two dimensions are combined, diagram I below results. One can distinguish four quadrants (Q1, Q2, Q3, Q4) to classify funding arrangements (see Jongbloed & Koelman, 2000):

Diagram I: Four funding systems



*Q1: planned, input-based funding through providers*

*Q2: demand-driven, input-based funding through clients*

*Q3: performance-based funding of providers*

*Q4: purpose-specific purchasing from providers*

### Options for higher education financing

In debates about the funding of higher education the crucial question that can be derived from the diagram shown above is: how to strike the ‘right’ balance between centralised (say: public) approaches and decentralised (say: private) approaches. For many, this debate is about the balance between public and private investments in higher education. However, this debate is more broad and includes the questions to what extent funding would have to be supply-driven versus demand-driven and whether it should be input-oriented or performance-based. We will focus in particular on the pros and cons of demand-driven funding, because it is often promoted as a means to inject more incentives towards increasing responsiveness and efficiency into the system.

Funding systems based on *vouchers* or *learning entitlements* (situated in quadrant 2) can be described as input-oriented and at the same time demand-oriented. These models permit student choice to drive the funding of HE providers. They can be classified as student-centered funding models. The crucial aspect of the voucher idea is *freedom to choose* and this, according to Barr (1998), would require that education is not just provided by public institutions but also – or at least in part – by *private* institutions. So, students would be allowed

to cash their vouchers also at private institutions that – just like the public ones – comply with minimum quality standards.

Voucher systems are only one of the options that can be brought forward for the funding of higher education. The table below shows three different arrangements that each take off from a different idea about who takes the lead in shaping the higher education landscape. The leading actor is, respectively: (1) the student, (2) the higher education institution, or (3) the government.

Table 1: Funding methodologies: three options

	<b>Student centered</b>	<b>Supply oriented</b>	<b>Programme oriented</b>
Steering philosophy	<ul style="list-style-type: none"> <li>• Demand-driven</li> <li>• Freedom to choose</li> <li>• Open system</li> <li>• Customer-oriented</li> <li>• Conditions w.r.t. programme coherence and quality</li> <li>• Government organises / oversees quality control and information supply</li> </ul>	<ul style="list-style-type: none"> <li>• Supply driven</li> <li>• Providers take the lead</li> <li>• Publicly funded versus non-funded providers</li> <li>• Competition on the basis of prices and quality offered by providers</li> </ul>	<ul style="list-style-type: none"> <li>• Steering through programmes</li> <li>• Government takes the lead in determining supply</li> <li>• Open system</li> <li>• Protection of socially relevant programmes</li> </ul>
Funding	<ul style="list-style-type: none"> <li>• Limited number of credits (vouchers) per student</li> <li>• Vouchers to be used only for accredited (parts of) programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Public funding of degrees (completions / credits)</li> <li>• Top-up fees</li> </ul>	<ul style="list-style-type: none"> <li>• Contract funding (tenders)</li> <li>• All providers (public, private) can compete for contracts</li> </ul>
Tuition Fees	<ul style="list-style-type: none"> <li>• Covered by vouchers</li> <li>• Differentiated fees</li> <li>• Fees determined by provider</li> </ul>	<ul style="list-style-type: none"> <li>• Differentiated fees</li> <li>• Fee levels depend on provider strategy &amp; competition</li> <li>• Fees determined by quality, programme length, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Uniform fees for publicly funded programmes (gov't sets fees)</li> <li>• Other programmes charge differential fees</li> </ul>
Student support	<ul style="list-style-type: none"> <li>• Distinction between cost of living and programme cost</li> <li>• Grant + loan for programme (HECS/equity participation)</li> <li>• Grant + loan for cost of living</li> <li>• Extra entitlements (vouchers) for disadvantaged students / programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Providers supply student support package</li> <li>• Package based on merit &amp; need of student</li> <li>• Support can be combined with job or family activities</li> <li>• Extra scholarships offered by employers</li> <li>• Providers offer loans through private banks</li> </ul>	<ul style="list-style-type: none"> <li>• Many options fit this scenario</li> <li>• Option: only grants for publicly funded programmes</li> <li>• Otherwise: loans provided by gov't</li> </ul>

Source: Jongbloed & Vossensteyn (2002)

#### Discussion/conclusions: on trade-offs, dilemmas and level playing fields

The advantages and disadvantages of the three options shown here may be discussed from the perspective of the main stakeholders:

- students,
- institutions,
- government/taxpayer,
- employers of graduates.

This leads to an identification of the main trade-offs and dilemmas that will occur in any discussion about the reform of higher education funding.

Some of the topics that arise after analysing the three options presented here are: (1) increased competition between (private and public) providers, (2) the need for differentiation (and building a strong institutional profile/image), (3) the rise of strategic alliances (mergers), (4) the need for increased transparency (about what is on offer), (5) the need to increase our understanding of the public benefits and private benefits that derive from higher education, (6) the need to make a distinction between bachelor's programmes and master's programmes, which partly is connected to (7) the need to make a distinction between private returns and social (or: public) returns to higher education.

The dilemmas we encounter are about the lines (or borders) to be drawn – finance-wise – between: (1) publicly funded providers/programs and non-funded institutions/programs, and (2) initial higher/tertiary education and post-initial higher/tertiary education. Some of the dilemmas touch on the *level-playing field* discussion, in which it is often stated that private providers should have the same privileges (and access to public funds) as public providers. In other words, regulation (or rather: re-regulation) is at stake here.

This automatically leads us back to the (public – private) debate on demand-driven versus supply-driven funding and the conditions under which a demand-driven system with more student-centered financing of higher education could work. Our conclusions will focus on the potential effects of demand- (versus supply-) driven funding and the necessary requirements that would need to be fulfilled in order for student-centered funding to work. Questions that would seem to be important include:

- what are today's problems and bottlenecks that stand in the way of the realisation of public goals; and can that public goal (or good) actually be quantified/approximated in some way?
- to what extent can students express their demand (and do they wish to do so)?
- is there enough room for a market (freedom of entry for new providers/entrepreneurs) to emerge?
- are there external factors/trends/developments that also push for the same agenda of empowering students – for instance due to new technologies (ICT) and globalisation (the GATS agenda)?

#### Literature:

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- Jongbloed, B. & H. Vossensteyn (2002), *Financiering masters: Argumenten en Arrangementen*. (Studie in opdracht van de Werkgroep Financiering Masters) Ministerie van OC&W. (*translation: Funding Masters: arguments and arrangements*)

## Higher education for a democratic culture – the public responsibility, prof. Pavel Zgaga

Higher education has had a multiple role in a society: it has been an agent of scientific, technological, economic etc. development, at the same time it has been also a place of individual shaping and cultural development in broadest sense, last but not least, a site of citizenship and democratic culture. It is impossible to separate these dimensions one from another. What constitutes higher education it is precisely the totality of its proved roles.

Aristotle says in *The Politics* (1337a11) that “just as there must also be preparatory training for all skills and capacities, and a process of preliminary habituation to the work of each profession, it is obvious that there must also be training for the activities of virtue”. Even more, he states in the continuation of the paragraph: “But since there is but one aim for the entire state, it follows that education must be one and the same for all, and that the responsibility for it must be a public one, not the private affair which it now is”.

Thus, he opened a discussion which is, after two millenniums and a half, only more complex, intensive and important than at the beginning. On one hand, (higher) education today is the most reliable tool for individual promotion in modern societies and the issue of utmost “private affair”. On the other hand, the role and function of (higher) education has never been reduced to this dimension only; it has been always providing also “training for the activities of virtue” in broadest sense: economic wealth and cultural development, better technological support and better health care, etc. Last but not least, critical thinking and democratic awareness have always been more or less directly connected with (higher) education. These are substantial reasons why “the responsibility for it must be a public one”.

However, it is not easy to define “the activities of virtue” which should be trained; it is even not easy to define “public” and “responsibility”. Ethics, social and political philosophy has had always much work in defining these ideas. The grave experiences of the past – not always only of the past – prove that (higher) education could be also involved as a mechanism of the ideologically secured social reproduction: it has happened always when the unrelenting Supreme Virtue and the unquestioned *Hegemon* put in shade and/or eliminate the constant rational dispute on human virtue(s) and social relationship(s). This dispute, in fact, has been an important part of academic traditions and at least indirectly also the intellectual source of the democratic culture.

Today, education in general and higher education in particular play an indispensable role in developing and maintaining democratic culture. The challenges of the time put higher education in the middle of global *competition* processes; the new problems encountered on this way prove that its position in local and/or global *co-operation* is now even more important. Under the circumstances of the late nineties, an important document as the Bologna Declaration (1999), stated as follows: “The importance of education and educational co-operation in the development and strengthening of stable, peaceful and democratic societies in universally acknowledged as paramount, the more so in view of the situation in South East Europe.” On the same track, the Berlin Communiqué (2003) reaffirmed “the importance of the social dimension of the Bologna Process. The need to increase competitiveness must be balanced with the objective of improving the social characteristics of the European Higher Education Area, aiming at strengthening social cohesion and reducing social and gender inequalities both at national and at European level. In that context, Ministers reaffirm their

position that higher education is a public good and a public responsibility. They emphasise that in international academic co-operation and exchanges, academic values should prevail.”

Democratic culture is the most appropriate place where public responsibility *for* higher education and public responsibility *of* higher education can meet one another. This is the point where universities and other higher education institutions could make important contributions resulting from epistemological grounds (e.g. criticism and rational reasoning, etc.) as well as from their own democratic culture (e.g. in terms of institutional governance, student involvement, relations to the environment, etc.). This is also the point where public authorities should strive for providing best conditions (e.g. legislation, financing, etc.), on one hand, to enable institutions to cope successfully with these challenges but also, on the other hand, to enable not only the transfer and dissemination of technologically and economically important results but also of results which contribute importantly to strengthening democratic culture in modern societies at large.