

policy address as chief executive of the new Special Administration Region government in October 1997, Tung Chee Hwa made the commitment to a future where all new teachers entering the profession should be university graduates with professional training and asked the University Grants Committee to advise on the timetable for this transition.

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The Institute of Education

This commitment of the new chief executive to an all-graduate teaching profession has resulted in plans for a very rapid transition for the Institute of Education. All subdegree programs for primary and secondary teachers are now to be phased out by 2004. They will be replaced mainly by bachelor of education programs, with a special focus at the secondary level on areas such as the arts, languages, physical education, and design and technology, which were strong points of the former colleges. These new programs have been designed as four-year programs, intended to integrate pedagogical knowledge with academic subject knowledge from the first year of the program, while at the same time fostering an interest in civic and environmental education across the curriculum and high standards in the use of information technology for educational purposes. As the Institute faces questions of how it will adapt its program to the planned new structure of secondary education, it has the advantage of approved four-year programs already in place and curricular patterns that are more suited to multidisciplinary learning than the narrower, academic subject structures found in some older universities in Hong Kong.

Nevertheless, the Institute faces a formidable challenge as several universities with well-established faculties of education seek to expand their enrollments in teacher education and all tertiary institutions are asked to do more without any increase in government funding. There is considerable debate over the most appropriate model for teacher education at different levels, with the universities largely focusing on postgraduate diploma programs for university graduates in various subject disciplines. Traditionally, teachers with this kind of background have dominated secondary education, especially the teaching of academic subjects in the sciences and

social sciences at the upper levels. Now there is an argument that this model should be used for the preparation of primary teachers, as well. While the Institute has developed postgraduate diploma programs for university graduates interested in either primary or secondary teaching careers, it has taken the position that the integrated bachelor of education program provides a more solid professional preparation for a teaching career, especially in the light of trends toward more integrated curricular knowledge and the encouragement of habits of self-learning in all children. The Institute, along with the University of Science and Technology and the Polytechnic University, has also developed collaborative programs that allow for a balanced emphasis on excellence in certain subject disciplines and professional studies from the first year of postsecondary schooling. ■

Developing a Financing Strategy for Palestinian Higher Education

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Despite great obstacles over its relatively short three-decade history, Palestinian higher education has helped to meet the rising demand for further education, providing access in West Bank/Gaza to those who had been forcibly deprived of the chance to study abroad.

But longstanding demographic and fiscal pressures, coupled with inadequately defined priorities and chronic economic and political problems only heightened by the recent turbulence, have led to a higher education system in fundamental need of repair. In recognition of these facts, the Ministry of Higher Education (MOHE) of the Palestinian National Authority (PNA) has decided to develop a financing strategy for the purpose of creating a more effective, accessible, efficient, and accountable higher education system.

Characteristics of the Sector

Palestinian higher education occupies an interesting, perhaps unique position in the constellation of international higher education. Its 10 largely nonprofit universities and more than a dozen government and private community colleges enroll about 70,000

students—2 percent of all Palestinians—with a gross enrollment rate of more than 15 percent. Both of these figures are well above the average in the Middle East region and internationally among the developing countries. By the same token, nearly 1.7 percent of the Palestinian GDP and 30 percent of all education spending are devoted to higher education, again above average by international standards. These figures suggest that Palestinian higher education has above-average levels of participation and is relatively well funded.

On the other hand, the spending per student in Palestinian higher education—less than \$1,000 per student—is low by international standards, while tuition fees as a percentage of university recurrent costs and as a share of their total revenues—68 and 86 percent, respectively, in 1999—are very high. At the same time, public spending on higher education as a percentage of GDP (2 percent), of the PNA total budget (0.6 percent), and of the PNA budget allocated for education (3 percent) is very low by international standards.

Challenges Facing the Sector

Despite a demonstrated capacity to survive and even grow in extremely adverse and unstable conditions over the past three decades, Palestinian higher education today faces a number of daunting challenges.

About three-fourths of all Palestinian students are enrolled in the social sciences and humanities. The subjects Palestinian students study are often inconsistent with the growing scientific and technical skills needs of the Palestinian economy and society as well as the broader economic and social needs of the Middle East. Another concern is the decline over time in the number of community college students and the rapid increase in university enrollments.

Over the past half decade, enrollments have more than doubled while funding has remained level or declined. These problematic financial and enrollment trends have led to the widespread perception that the quality of Palestinian higher education has declined. Most Palestinian universities have chronic deficits that preclude solving these quality concerns through internal reforms. As is the case in virtually all countries, access to Palestinian higher education is uneven. Students with fewer family resources do not have access to the full range of opportunities. The lack of effective management throughout the system takes many forms, including: a lack of transparency throughout the sector, the absence of coordination between the MOHE and institutions, and inadequate cooperation among higher education institutions.

The consequence of not addressing these challenges is that quality will continue to be compromised, relevance will remain questionable and access will remain unequal. Any of the scenarios that might result from a failure to address these challenges would deny educational opportunities for thousands of Palestinians every year and

severely dim the prospects for economic growth and stability in the PNA and the Middle East region more generally.

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Principles for Reform

In response to these challenges, the MOHE has decided to develop a financing strategy that has not previously existed for the sector as a whole. In developing such a strategy, however, a fundamental reality must first be recognized, namely, that the level of public financial support for Palestinian higher education is not now nor likely in the foreseeable future to be sufficient to ensure fiscal sustainability of the system as it currently exists. University deficits simply exceed what the PNA currently provides or can reasonably be expected to provide in the future. Therefore, major reforms will be necessary, and a financing strategy for Palestinian higher education must be designed so that public funds are targeted in ways to improve what will remain a largely public and nonprofit higher education system. To do this, the proposed financing strategy will be based on the following principles: (1) enhancing students' ability to pay for higher education will be emphasized over sustaining institutions as a primary means of public support; (2) public funds will target national and regional human resource development needs by focusing on programs identified as having high priority; (3) opportunities and capacity in both universities and community colleges should be expanded as a means of meeting current and future academic and vocational needs; (4) the autonomy of public and nonprofit Palestinian universities should be combined with greater accountability by emphasizing incentives more than regulations of institutions; and (5) a key element of the financing strategy should be to improve the management of the institutions and the higher education sector.

Possible Components of the Strategy

First, it is important to identify high-priority human resource development needs that could be used in allocating funds to institutions, providing funds for student financial aid, and allowing for lower fees in high-priority fields of study.

Second, the principles for reform will be implemented by adopting a number of policies, including providing vouchers to students of high merit and high need who enroll

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in fields of high priority; making supplemental payments to institutions to meet normative costs in high-priority fields of study; expanding the availability of student loans to allow a broader range of students to pay their tuition fees; creating a “quality improvement fund” to stimulate innovation in instruction and management of institutions; funding research separately from instruction on a project, peer-review basis in areas of high national priority; and creating a capital development fund to support the building and upgrading of facilities, to be provided primarily by donors.

Third, a series of administrative and regulatory mea-

asures also must be taken, including: strengthening the existing accreditation and assessment procedures, improving the management structure of the higher education sector by developing management information systems for the MOHE and for individual institutions and by establishing management improvement plans for each university; and reassessing fee-setting procedures at universities.

At this time, the financing strategy as outlined here has not been formally adopted. The purpose of producing it is to stimulate discussion among stakeholders about how to address the challenges that Palestinian higher education faces now and in the future. ■

Conflicts within Swedish Higher Education Policy

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The Swedish higher education reform of 1993—launched under the catchphrase of “Freedom for Quality”—meant a break with earlier higher education policy. Goals were set in more academic terms than before, and state regulation and the uniform structure of the entire higher education system were questioned. The reform was a reaction to the stagnation and rigidity that marked Swedish higher education in the 1980s. The 1993 reform was aimed at facilitating change and creating flexibility through decentralization of responsibilities to higher education institutions, counterbalanced by efficiency and quality controls over outcomes. Although tendencies toward decentralization were already visible in the 1980s, it was the conservative coalition government that came into power in the beginning of the 1990s that carried out the reform.

Soon after the 1993 reform went into effect, its implementation was strongly affected by the economic recession, increasing unemployment, and budget deficit. The returning social democratic government cut public expenditure for higher education and made partial returns to a more centralized policy during the second half of the decade.

These shifts in political power, not seen very frequently in Sweden, made the inherent conflicts in the move toward a massified system of higher education more visible. The rate of growth of the higher education sector, institutional autonomy, and quality became the main issues on the agenda. Gradually, the innovative capacity, efficiency, and international competitiveness of the higher education system were given more attention. Lately, problems related to governance and authority have moved to the forefront in the debate.

Growth

For the last two decades, access to higher education in Sweden has been based on a strange combination of restricted admissions and mass education. In the 1980s, admissions policies kept total enrollments at an almost constant level, and great emphasis was given to equality of access through a centralized admissions system and widely distributed learning opportunities. On the whole, the recruitment to higher education has broadened. More students from vocation-oriented streams in secondary school, older students, and more students from sparsely populated areas are entering higher education, although social inequalities remain.

Despite the great expansion of higher education in the 1990s (a 55 percent increase in student enrollments), competition for entrance is still intense, in particular among young students. The number of students who transition between upper secondary school and higher education is rather low compared to that in other European countries. In order to improve the situation, the government has recently proclaimed as a future goal that at least 50 percent of the age cohort should enter tertiary education before the age of 25 (compared to 35 percent today). The government also wants to increase the number of adult students taking part in lifelong learning. The restriction on access during the preceding decades has resulted in pent-up demand for higher studies. The government’s present plan to expand higher education seems inadequate for meeting all these demands.

Further expansion raises the question of quantity versus quality in undergraduate training, a more challenging question than ever when per capita funding is decreasing. For Sweden it also enhances the intriguing problem of diversification. Behind the rhetoric of homogeneity there are, in reality, major differences between the old and the new parts of the integrated higher education system in Sweden—specifically with regard to the composition of