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 measures 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

students and staff and research resources. Swedish higher education may need to accept a more diversified structure in order to solve the problem of further growth.

The need for increased diversification is clearly visible in admissions policies. Remaining social inequalities and a more diversified student body have made the present system of admissions antiquated. Reform is under way, but political hesitation about moving away from the principles of "justice by uniformity" is apparent. The idea that higher education is a privilege to be equally distributed in society comes into conflict with the goal of a more open higher education system based on the principle of massification.

Autonomy

The 1993 reform reduced the detailed influence of central government but called for more planning, accountability, and control at the institutional level and therefore a stronger and more pronounced institutional governance. The internal devolution of authority, awaited by many academics, did not occur. Instead, the responsibility for those in leadership positions in universities and colleges increased. Collegiality and management in combination became the primary model of institutional governance, supported by a new network of interest groups consisting of the academic elite, scholarly organizations, and the business establishment.

With the return of the social democratic government in 1994, the political balance of power gradually began to change. The political representation was enlarged in the governing boards of the institutions. Rectors were replaced by people from outside (often industrial leaders or politicians) as chairman of the board. The "unholy" alliance between state and industry was strengthened at the expense of the academic elite. Oddly enough this did not meet with any big resistance until recently. Higher education institutions were also given, explicitly, a new "third role": to serve the local community and contribute to overall social development.

The growing reliance on external funding has diminished the room for internal collegial decisions. More and more funding for research is coming from strategic foundations, which were established after the conservative coalition government dismantled the large wage earner's funds in the beginning of the 1990s. As a result, the gap is now widening between the "poor" and the "rich" parts of the higher education system.

The inherent conflict between the devolution of authority and preserving academic influence (sometimes in the name of "academic freedom") remains an important topic under discussion. The recent reform of research governance and financing is, according to some spokesmen, a sign of decreasing autonomy for higher education institutions. Two powerful authorities, the National Science Council and a new Agency for R & D and Innovation, were established in January 2001.

Quality

The current concern for quality is a natural consequence of ongoing decentralization and of increasing external influence on the orientation of higher education institutions. In Sweden, as in most other countries, quality means more than academic standards; it covers a broad spectrum of reform intentions such as effectiveness, innovation, and accountability.

Responsibility for quality rests with the institutions, but the new social and regional roles of higher education have widened the group of stakeholders in the process of quality assessment. With the 1993 reform, the "buffer organization" in the Swedish higher education system was closed down. A university chancellor was appointed with the task of supplying students and stakeholders with assessments of the quality of the undergraduate education. Yet, emphasis was placed on quality indicators and performance relative to the distribution of funds—at least at the start. New principles for allocating resources to undergraduate training based on national price tags, student numbers, and performance were also introduced.

The demands for more formalized public and external control were gradually turned into a more modest plan for quality development programs at all institutions to be examined by audit teams. The re-established National Agency for Higher Education was later put in charge of this auditing process. It gradually developed a Swedish model that attracted international attention as a sort of compromise between control and autonomy in institutional evaluation.

Recently, the National Agency has been assigned the task—starting in 2001 and occurring every six years—to conduct evaluations of all higher education programs (including postgraduate programs). Unsatisfactory results may lead to loss of the right to award degrees. Assessments, subject by subject, will be made on the basis of traditional peer review, and the former model of quality auditing will be put more in the background.

The Swedish story of auditing and assessment reflects the inherent conflicts in evaluating higher education at the national level. Should it primarily to be used primarily for the sake of institutional development and counseling or mainly for state control and the allocation of resources? The latter assignment seems to be gaining ground. Matters of decisive importance are awaiting higher education policy in Sweden. Growing differences between subject areas and institutions may create severe tensions in the integrated system. Solving these conflicts in an expanding and geographically dispersed system remains a great challenge. ■