

proximately 10 percent, to 352,000, and are expected to drop even more in the next couple of years. The HDIs have borne the brunt of these declines, as far fewer black students are qualifying for university admission. Moreover, the black students who do qualify are deserting the HDIs and enrolling at the historically white institutions—especially the more research-oriented universities whose degrees are perceived (correctly, by almost any measure) to be of higher quality.

Increasingly, South Africa's more research-oriented universities are being called upon to educate the nation's

black elite while providing the technical expertise and research required for economic growth. South Africa needs to find a way to provide these universities with the support necessary to maintain their critical missions and to keep at least a few South African higher education institutions near the center of the knowledge system. ■

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Reform in Hungarian Higher Education

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Hungarian universities, like those in other Eastern European countries, have roots in the Prussian model of a strong state apparatus and a semiautonomous professoriate. During the four decades of Soviet occupation, state dominance was strengthened in an increasingly centralized system. A second important structural characteristic of Eastern Europe generally and Hungary in particular is a relatively high level of institutional fragmentation—that is, the existence of many small institutions offering a limited number of programs. The Soviet years saw a significant increase in the number of small, specialized institutions and also a separation of the research function from universities into scores of research institutes controlled by the Hungarian Academy of Sciences. These legacies of state dominance and institutional fragmentation have important implications today for the shape of reform.

Hungarian higher education reform in the 1990s has been driven by two primary forces. The first is the government's desire to have *more for less*—to expand access to higher education but at a lower cost. Expansion has been driven largely by a desire to “catch up with Europe” in both economic and educational terms. The second driving force is a reform platform formulated by reformers in both Hungary and the World Bank. The bank's increasing interest in loans to develop human capital was welcomed by some in Hungary as a means to finance badly needed improvements in the higher education infrastructure. A World Bank loan of \$150 million, negotiated in 1997, was intended to fund infrastructure needs and technical assistance for programmatic reforms.

The objectives of the joint government-World Bank reform program were to increase higher education's respon-

siveness to changing social and economic conditions, to use resources more efficiently, to mobilize nonstate resources and to create a more equitable financing system. Elements of the reform program range from the integration or merger of smaller institutions to a more flexible and transferable curriculum.

One element of reform, and a major focus of controversy, is institutional mergers. The government and the World Bank have been interested primarily in eliminating duplication and achieving economies of scale. The government stipulated that mergers would be made on a geographic rather than mission basis—that is, dissimilar institutions in common geographical areas would be merged rather than similar universities in different locations. An important implication of geographically based mergers—one that is rarely discussed at the governmental policy level—is a breakdown of the binary system and merger of different organizational cultures.

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An interesting dynamic in the processes shaping integration is the issue of who decides on the specific mergers. Under the previous government, proposals submitted by institutions were reviewed by a newly established coordinating body for higher education, with the final determination then being made by the government. Believing that this essentially bottom-up process had produced less than optimal results, the current government took steps to centralize the process within the ministry to a greater extent. The current integration plan calls for 41 university-level institutions being merged into 17 universities and 22 college-level institutions being merged into 13 colleges.

A second element of reform is the introduction of lay

boards at both national and institutional levels. The national board, known by its Hungarian acronym, FTT, is composed of 21 members: half nominated by the higher education sector, half coming from users such as employers and professional associations, and one government representative. The FTT is purely an advisory body to the Ministry of Education, but its powers are significant—ranging from the development of an overall strategic plan to the allocation of admission places in universities.

The rationale for including boards in the overall reform program was twofold. First, boards represented a structural solution to the reform objective of “responsiveness” to changing social and economic conditions. Boards composed of users of higher education’s products could help clarify and promote needed changes. Second, from the universities’ point of view, boards could serve a classic “buffering” function of protecting them from the vicissitudes of political forces.

Implementation of both reform elements illustrated here has been a struggle. Structurally, the Prussian model has difficulty accommodating the emergence of power in the middle—anything between the state and the professoriate. Additionally, each case illustrates the powerful legacies of the socialist system in shaping attitudes toward reform. One of the central dynamics of socialist systems has been the state bureaucracy’s control over allocation and a resulting culture of subordination. Ministry officials would not allow the FTT to function as the principal advisory

body for higher education on issues of integration or any other major policy arena. Another closely related characteristic of socialist societies is the absence of “civil society” or nongovernmental institutions occupying the intermediate space between government and individuals. Boards are a foray into this intermediate space and it has been a difficult pioneering venture in terms of legitimacy and power.

Clearly integration and other elements of reform have encountered the classic dynamics of interest group behavior found in all societies. Integration leaders come from regional universities eager to increase their influence and resources. Resistance comes from the larger and more powerful Budapest universities protecting their status. The legacies of socialism have further shaped and reinforced this dynamic through an established pattern of networks between ministry bureaucrats and institutional leaders created to cope with the constraints of a “shortage economy” characteristic of socialist countries.

After the euphoria of 1989, the realities of significant reform in higher education in Hungary have become apparent as some groups resist change and seek to protect perceived interests and beliefs. However, the legacies of socialist systems constitute deeply rooted ways of thinking and acting that lie not in the particular political system but in the social and economic structures upon which these societies were built. Many involved in higher education reform in Hungary have concluded that change will take a generation or two. ■

Brain Korea 21: A Development-Oriented National Policy in Korean Higher Education

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On June 15, 1999, about 1,000 professors demonstrated in the street in Pusan, the second-largest city in Korea. Their slogan was “Withdraw Brain Korea 21!” Three weeks later, about 900 professors gathered for another demonstration in the capital, Seoul. Their demand was the same, “Withdraw BK21!” In the history of Korean higher education, there has never been a national education policy against which university professors have publicly protested.

The Brain Korea 21 Project

In spring 1999, the Korean government established a new national education policy to prepare Korean higher educa-

tion for the 21st century. The policy, “Brain Korea 21” (BK21), has several purposes: to develop world-class research universities, foster the creation of human resources through graduate schools, nurture quality regional universities, and reform higher education. To accomplish this, the government has decided to invest 1.4 trillion won (about U.S.\$1.2 billion) into higher education over seven years. Three-quarters of the budget will be invested in supporting graduate schools in certain fields in the natural and applied sciences, humanities, and social sciences. The goal is to develop selected graduate schools and universities into leading world-class research universities in the near future. The remaining institutions will become regional universities that will create the human resources required by local industrial societies.

The project operates on the principle of “selection and concentration.” All universities applying to the project must establish research consortia of collaborative networks among competent university researchers. Each research consortium consists of one leading university and one or more participating universities. The government provides financial resources to selected consortia.

The most distinctive feature of BK21 is that graduate students in the selected graduate schools will be the direct