

students are simply consumers and the curriculum is just another product, then one might well ask whether a business might offer such services and products more efficiently.

The problems we have outlined here, while significant, are solvable. If Australia is to continue to offer an effective system of tertiary education in a global environment, the problems demand clever solutions. The onus is on the universities to come up with the solutions.

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## Australia: Higher Education's Place on the Political Agenda

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The build-up to a federal election in Australia, expected in November, has seen renewed public attention to higher education. Polls rank education and health as the two most important issues to voters. Business organizations are talking up higher education and research. Polls also show that there is significantly more support for increases in education funding than for tax cuts, though none of the leading parties has departed from the small tax-spending politics which have dominated in Australia since the mid 1980s.

Education issues have sustained considerable media attention, particularly debates over the funding of private schools and about the state of the universities. Vice-chancellors are talking about a "crisis" in university resources, pointing to an increase in average student-staff ratios from 13 in 1990 to 18 in 1999. The federal government vigorously denies there is a problem. But whether there is a change of government or not, it is apparent that the education debate has reached a turning point, with a growing momentum for renewed public investment in education.

Both sides of politics are attempting to ride this shift in national mood. In February John Howard's Liberal-National Party coalition, which has held power since 1996, gestured modestly in the direction of the knowledge economy with a USD \$1.5 billion package of "innovation" measures, to be spent over five years. The innovation policy largely reflected a high-science conception of the knowledge economy, centered on selected industry development in computer technology and biotech. The main items in the package were a doubling of the budget for Australian Research Council project grants—again, to be phased in over five years. The main non-science item was subsidization of the market in fee-based postgraduate vocational courses, mostly in business. This benefits a relatively small cohort. The government's package might be too little too

late as it fails to restore the cuts to government outlays instigated in the second half of the 1990s. If Howard loses his majority, then it is likely that education will be seen as one of the decisive issues.

In July the opposition Labor Party issued *An Agenda for the Knowledge Nation*, a broad set of policies covering all forms of education and research, but lacking detail on spending programs or implementation machinery. This is a broader conception of the knowledge economy, talking in terms of a wholesale cultural transformation. Nevertheless, it remains largely rhetorical. Labor Party leader Kim Beazley has emphasized that the "knowledge nation" policies would be introduced over a decade or more and would be subject to the prevailing fiscal constraints. He states that education would take second place to Labor's promise to "roll back" indirect taxes and maintain a budget surplus. Clearly the opposition hopes to mobilize dissatisfaction with the government's record on education, while at the same time sustaining the confidence of national and international finance. It is a difficult juggling act, and there is a danger that neither trick will be pulled off. Electorally, Labor runs the risk that many voters will see no difference between it and the government.

Nevertheless, the Labor Party is also considering research findings indicating that investment in knowledge in Australia has declined significantly since the 1980s. These research findings are contained in *Australia's Comparative Performance as a Knowledge Nation* by Mark Considine, Simon Marginson and Peter Sheehan, commissioned by the Chifley Research Centre. (These data can be accessed at [www.education.monash.edu.au/centres/mcrie](http://www.education.monash.edu.au/centres/mcrie).) The decline in investment in knowledge shows itself both in absolute terms (that is, in relation to past Australian efforts), and in relation to international comparators. These data help to explain the electoral volatility of the education issue, and suggest that it will be difficult for future Australian governments to sustain the highly restrictive fiscal regime that has dominated education policy for a decade and a half.

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The OECD index of investment in knowledge is composed of three quantities, expressed as percentages of GDP—public investment in education, private and public investment in R&D, and spending on software. Using this index, in 1985 Australia invested 6.47% of GDP in knowledge compared to 7.60% in the USA and 7.46% in the 11 leading OECD economies. By 1998, investment in knowledge in the USA had reached 8.73% and in the eleven OECD

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countries was at 8.22%. In Australia it had slumped to 6.15%, with declines in both education and R&D. Unlike some other OECD economies, including those of the USA and the UK, Australia invests considerably more in physical plant and dwellings than it invests in knowledge, and this gap between “old economy” and “new economy” investment has increased over time.

In 1998, Australia invested 5.46% of GDP in education, just below the OECD country average of 5.66%. However public investment—once above OECD average levels—was at 4.34% of GDP, which was 21st out of 28 OECD countries (the OECD average was 5.00%). Private investment in education at 1.11% was the 6th highest in the OECD. In a nutshell, in the neoliberal era, Australia has successfully shifted investment from the public side to the private side. However, private investment mostly takes the form of fee payment by students and families. Fees are relatively high in Australia, especially at university level, though the impact is modified by the system of deferred payment through the tax system (the Higher Education Contribution Scheme). Thus while high private investment provides fiscal relief for government, it has failed to generate a knowledge economy relationship between education and industry. Industry investment in both research and training falls well short of OECD norms. Correspondingly, the production of public goods has been weakened. The public sector is the main provider, especially at the tertiary level; and all three public systems—schools, universities, and training—are in unprecedented financial difficulties. Given the decline in public goods, it is not surprising that there is also a growing and evident bifurcation between educational haves and educational have-nots.

The pattern of public neglect and bifurcation begins early. Australia spends only 0.1% of GDP on preschool education, and participation of four-year-olds is at one-third compared to an OECD average of 60%. In the school years, one-third of students are located in the private sector. Private schools, which on the whole are attended by more affluent families, are largely funded by the federal government; while the public schools are dependent on more fiscally constrained state governments. The private schools have been favored by recent funding allocations. Tertiary participation is above average, but the rate of early school leaving is also above the OECD average; and retention till the end of school has fallen from 77% in 1992 to 72% in 1999. Between 1995 and 1999 tertiary funding fell in Australia, one of very few OECD countries where this happened. Tertiary enrollment rates increased by an average of 23% in the OECD but only 6% in Australia. University enrollments have now stopped growing altogether, except for fee-paying foreign students. These issues will keep higher education on the political agenda for some time to come.

## Ethical Practices in the Korean Academic Profession

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The belief is now widespread in Korea that we are in the midst of a wave of moral collapse and ethical confusion. A lack of moral leadership is apparent not only in the government but in industry, the media, and elsewhere. College and university professors have been actively involved in the veritable explosion of interest in the relevance of ethical considerations throughout most sectors and social classes. For example, professors have asked political leaders to consider whether their decisions are taken to benefit their own political interests or those of the people. Business and industry leaders have also been asked by professors to discuss whether environmental pollution is a necessary cost of maximizing profits.

Given the spirited discussions initiated by them, it is indeed ironic that college and university professors have until recently been relatively silent on the subject of ethical questions concerning their own principles, policies, and practices. While they have been critical of other professions, they have deflected criticisms of themselves by raising the mantle of academic freedom.

Traditionally, it has been expected in Korea as in other countries that colleges and universities be founded and operated according to relatively high standards of moral and ethical obligations and principles and codes of behavior. Institutions have never tolerated plagiarism, academic sabotage, or falsification of research data. They have never allowed gross abridgements of academic freedom, incidents of sexual harassment, the selling of grades, or the use of physical violence as a means of settling disputes and conflicts on campus.

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However, the time has come for serious scrutiny of the ethical posture and behavior of the academic profession itself. Indeed, there are few aspects of contemporary Korean higher education that do not exhibit signs of ethical confusion. On topics as disparate as admissions and graduation, curriculum development and research, faculty recruitment and grade inflation, or external consulting and administration, there are some thorny ethical issues that colleges and universities need to confront.