

Indonesia is a large archipelago, as large as the continental United States, with 17,000 islands. We believe that the present accreditation system is too costly to maintain. Thus, plans are being made to change to institutional accreditation for selected institutions, by giving those institutions a “self-accrediting” status. These institutions will do internal accreditation of their own programs. The selection will be based on the quality of the existing programs and the existence of a good internal quality assurance system. This will decrease the burden on program accreditation performed by the NAB, without jeopardizing quality assurance.

Establishing accreditation in developing countries is difficult, but in a time of economic crisis the role of accreditation is even more critical to sustain the progress thus far achieved and to make universities a credible moral force in the nation.

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## Chile’s New Program for Quality Improvement

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The objective of the Higher Education Quality Improvement Program (MECESUP) is to improve the performance of Chile’s higher education system—in quality, coherence, efficiency, and relevance. The program has three main areas of focus: development and implementation of a national accreditation system; enhanced links with national development and qualitative improvement in educational services at the technical, undergraduate, and postgraduate levels; and improvement in the administration of the higher education system. MECESUP has U.S.\$245 million in funding for a period of five years from the Government of Chile and a loan from the World Bank (4404-CH). The program is one of the new generation of World Bank efforts to contribute to global development by increasing the capacity of higher education institutions to innovate and to educate.

### *Quality Assurance*

MECESUP is supporting the development of a quality assurance system for higher education services that includes the consolidation of the national system for institutional licensing of new private institutions (at the Higher Education Council), the implementation of a higher

education quality awareness campaign, and the establishment of an accreditation framework for study programs and institutions (in technical training and undergraduate and postgraduate educational services).

For this purpose, two national accreditation commissions have been set up, at the undergraduate and postgraduate levels, to define program quality standards, implement a voluntary accreditation system, and propose a definite legal framework. At the undergraduate level, accreditation work has started with 27 programs in medicine, agronomy, veterinary medicine, biochemistry, architecture, and psychology at traditional universities that are members of the Council of Rectors of Chilean Universities, and 3 programs at new private institutions. At the graduate level, a second accreditation cycle for 65 Ph.D. programs was completed in 2000, and a new cycle for 100 master’s programs is currently under way. The accreditation system is based on autoevaluation, external peer review, and academic audit (experimental, for master’s programs). Institutional assessment and audits are also required for an institution to be eligible to receive student aid from government.

### *Educational Quality Improvement*

MECESUP has started the operation of a “competitive fund” to promote quality and relevance in the higher education subsector, through the provision of grants to beneficiaries (presently, universities of the Council of Rectors of Chilean Universities and national technical training centers) for undergraduate programs in fields of institutional and national priority; for graduate programs, with emphasis on doctoral programs and master’s programs in the arts, humanities, social sciences, and education; for technical training programs in fields of high demand from the productive sectors; and for the improvement of the facilities, equipment, and human resources in institutions, as required to implement the programs referred to above.

The competitive fund started operation in 1999 with a first competition, in which 57 projects were selected; these are now under way (41 in support of undergraduate and 16 of graduate programs). The second round of selection, in 2000, ended with the approval of 70 new proposals. Eligible expenditures for the projects are human resources improvement (scholarships for postgraduate work in Chile and abroad, visiting scholars, short visits abroad for professors and Ph.D. students doing thesis work, and postdoctoral visitors in Chile), goods (laboratory and scientific equipment, access to information and its technologies, and new teaching-learning tools and processes), and buildings (academic space improvement). Just recently, in April 2001, a new competition has been opened, that will allocate U.S.\$52 million to institutions with relevant proposals. Project ideas are selected by the institutions, based on institutional strategic planning and priorities and national guidelines, with results and

performance indicator follow-up. There is funding available for a period of five years, at U.S.\$225 million.

#### *Framework and Capacity Building*

MECESUP is also working to enhance the legal and regulatory framework for the higher education subsector, through the definition of the appropriate roles of the universities, professional institutes, and technical training centers involved; the establishment of mechanisms to facilitate transfers of students and graduates among such

educational institutions; and the preparation of draft laws, regulations, or amendments to existing laws. Also, the program is assisting in the implementation of policy and in institutional capacity building at higher education institutions and at the Division of Higher Education, in the Ministry of Education. Finally, it has started to establish a coherent policy for public funding and the development of a funding methodology for higher education activities, including student aid. ■

## Globalization and Its Discontents: Dilemmas Facing Tertiary Education in Australia

### **William G. Tierney and Craig McInnis**

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Australia provides a good example of the problems facing public universities in an era of globalization. Unlike some countries that are still developing a system of tertiary education—or the United States, where private institutions are partially buffered from governmental regulation—Australia has had a fully developed public postsecondary system for over a century. In the recent past, the country has committed universities to serve the general citizenry rather than the elite for whom the system originally was designed. However, in the last ten years, after a period of expansion in which the system moved toward mass participation, public funding has declined significantly for Australia's 38 universities. A decade ago most institutions received over 90 percent of their funding from the federal government; today no university receives more than 50 percent from the federal government.

Such a drastic reduction in government funding has necessitated calls for dramatic changes in Australian tertiary education. There has been a concomitant scramble to recover funds, primarily by capturing full-fee tuition from Asian students. However, in surveys and interviews of academic staff over the last year we have found great concern about the future. Faculty have experienced an almost psychic exhaustion with the increase in workloads while they try to serve new revenue-generating populations, improve the quality of the institution, and maintain a viable research capacity.

In spite of the severe fiscal constraints that each university faces, we have found little evidence that any government of the future will reinvest in tertiary education

in a manner akin to a decade ago. We are also concerned over the near obsession that individuals have about the necessity of generating revenues, to the point of neglecting core business. In an era of dramatic reduction of funding, institutions need to be primed for organizational change or they will not survive. An institution's participants are unable to create the conditions for change unless they first understand the barriers to change. Accordingly, our purpose here is to examine what we believe are key roadblocks to change that retard organizational reform.

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A key precept of academic life is that universities ought to be immune from political interference. Such an assumption does not mean that tertiary organizations are free to be nonresponsive to societal needs or unaccountable for their performance. Organizations that serve the public good must be willing to ensure that quality improvement is ongoing and measurable. However, due to changes in system-level management of higher education, Australian universities have become too much like government agencies, while at the same time being exhorted to act as free agents in the marketplace. Lacking is a strong sense of a coordinated system of responsive self-directed organizations. Rather, universities encounter political intrusion, a lack of coordination, and a disincentive for innovation. Alternatively, when universities are forced to make up the shortfall in public funding with entrepreneurial activities but are limited in their options by government regulation, institutional dissonance is inevitable.