

released *Higher Education in Hong Kong*, in which universities were advised to monitor their performance in providing value for money and carrying out executive decisions. The distribution of public funds is based on quality assurance outcomes in terms of teaching and research. The delinking of academic staff remuneration from the civil service system is the most controversial recommendation among the academic community in Hong Kong.

With an emphasis on the principle of public and financial accountability, the Singapore government announced in June 2000 that the NUS and NTU would be given greater operational autonomy especially in financial management within a more systematic accountability framework. The allocation of public funds would be made according to the universities' internal and external quality reviews. The proportion of competitive bidding for research funding would be increased to develop strategic research areas. Being delinked from the civil service salary structures, academic staff would no longer enjoy automatic annual increments in place of performance-based increases.

The most recent change in Singapore lies in the restructuring of the university sector. The NUS will be transformed into a university comprising three autonomous campuses, while the NTU will expand into a full-fledged, comprehensive university and SMU will continue its role as a "niche" university specializing in business and management education.

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The cases of Hong Kong and Singapore reveal that both governments tend to follow the principle of "autonomy for accountability" to steer the university sector from a distance. Instead of implementing direct control, quality audits and governance reviews are commonly adopted by the government to devolve more responsibility upon individual universities and maximize the "value for money" for the public expenditure spent on the university sector. In Hong Kong and Singapore universities now have to respond to external pressure for achieving better performance and to be more accountable, which makes the universities corporately responsible for their own performance and outcomes. Therefore, quality is more likely to be interpreted as efficiency of resource allocation more than as the quality of teaching and learning processes.

This current cycle of university reforms will not be the last. Greater attention will be paid to market discipline and private-sector management models. Nevertheless, overdependence on market forces to reform universities would eventually undermine their role in enlightening citizens and promoting democratic and humanistic values in society. The core missions and values of higher education—to educate responsible citizens and for active participation in society, to advance, create, and disseminate knowledge through research, and to provide an open space for higher learning and for lifelong learning—are still worthy of preservation and societies ignore them at their peril. Even in a more market-oriented environment, universities should be able to enjoy their traditional freedoms and preserve their autonomy, while being fully responsible and accountable toward society.

Bologna Is Not the Only City That Matters in European Higher Education Policy

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The emergence of a global higher education market in the second half of the 1990s and enhanced international competition have led to a growing awareness of the need to strengthen the position of European higher education. These realities formed one of the main arguments in favor of the curricular changes leading to compatibility with international degree structures—that is, the development of a European Higher Education Area. These initiatives were first presented in the Sorbonne (1998) and Bologna (1999) Declarations. The Bologna Declaration called for the establishment of a European Higher Education Area by 2010 by adopting a system of degrees (based on two cycles), setting up a system of credits, and the eliminating of obstacles to free mobility. The declaration also led to a wide range of actions at the national level in the various signatory countries. With varying scope and pace, governments are undertaking initiatives toward achieving the objectives of the Bologna Declaration in interaction with higher education actors and stakeholders.

Bologna is taken as a key document that marks a turning point in the development of European higher education. It should be emphasized that the declaration

and process constituted a commitment freely taken by each signatory country to reform its own system and thus achieve convergence at the European level. Bologna was, and could only be, a joint but voluntary commitment undertaken by national governments (i.e., bottom-up and not legally binding), reflecting the limited competencies of the European Commission in the area of higher education policy. The EU treaty states that “At the European level, education in general and higher education in particular are not subjects of a common European policy: competence for the content and the organisation of studies remains at the national level.” According to Article 149, the community’s role is still limited to “contributing to the development of quality education by encouraging co-operation between Member States.” The role of the European Commission in the process was thus limited at first, but gradually enlarged during the subsequent process. Some critics (mainly legal experts) have pointed out that, since the European Commission could not formally adopt the policy of convergence, a parallel process emerged. In their view, the fact that the Bologna process is executed outside the formal EU context creates a potential risk of a loss of coherence with other EU actions. Furthermore, the lack of legally binding measures means that no mechanism exists to coordinate the implementation at the national level and that individuals do not possess formal rights in the process. And, finally, critics argue that there is a lack of democratic control over the process.

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The Lisbon Process

The challenges of competition, globalization, and the knowledge-driven economy were acknowledged by the members of the European Council at their meeting in Lisbon in March 2000. They agreed on the following strategic target for 2010: “To become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion.” In the view of the council, these changes required not only a radical transformation of the European economy but the modernization of social welfare and education systems, as well. Therefore it called on the Education Council (the education ministers of the EU) and the European Commission to undertake a general review of the concrete objectives of education systems, focusing on common concerns while respecting national diversity. At the same time, the coun-

cil defined a new approach to political coordination in areas such as education and training: the “open method of co-ordination,” which has as its main purpose achieving progress toward the main EU goals by helping member states to develop their own policies. This provided both the initial impetus and the political means for the preparation and adoption in 2002 of a detailed work program on the future objectives of education and training systems (<http://europa.eu.int/comm/education/policy/en.html>).

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This new direction made clear that education was seen as a key factor in achieving success according to the Lisbon agenda. In March 2002, the Barcelona European Council underlined this by pointing out that education was one of the bases of the European social model and that Europe’s education systems should become a “world quality reference” by 2010. It also demonstrated that the commission was enlarging its field of operation and policy implementation in education. It now openly states that in addition to areas covered in articles 149 and 150 of the EU treaty outlining European competencies and the implementation of EU programs such as SOCRATES, the council will also undertake action in the context of the EU in the form of political cooperation between member states. This approach is not based on EU directives but consists of recommendations, communications, consultations, and other working documents. In recent years, this kind of political cooperation has increased in education and training (e.g., lifelong learning and e-learning) and has been boosted by the Lisbon summit.

The European Commission sees the open method of coordination as a new instrument, one that will hopefully pave the way for coherent policies in areas such as education, where a common policy is not feasible but where a real need exists for a European educational area. While respecting the breakdown of responsibilities envisaged in the treaty, this method provides a new cooperative framework for the member states with a view to bringing about the convergence of national policies and attaining certain common objectives. The process involves jointly identified and defined objectives; common yardsticks (statistics, indicators) enabling member states to know where they stand and to assess progress toward the objectives set; and collaborative mechanisms to stimulate innovation, promote the quality

and relevance of teaching and training programs (dissemination of best practices, pilot projects, etc). This approach of common objectives, translated into national action plans, and implemented through consultative follow-up and peer review (pressure) shows common features with the Bologna process.

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The new program on the future goals of education and training systems is based on the following strategic steps: improving the quality and effectiveness of education and training systems in the EU, facilitating access to education and training programs, and opening up education and training systems to the wider world. Related to this last point is the creation of a major new program: ERASMUS World. The strategy involved a number of specific objectives. The commission has recently proposed five European benchmarks for education and training that will help to measure progress and support the exchange of best practices and peer reviews in order to reach the Lisbon target. The three benchmarks most relevant for higher education set these goals by 2010: (1) all member states will have at least halved the level of gender imbalance among graduates in mathematics, science, and technology, while securing an overall significant increase (15 percent) in the total number of graduates compared to 2000; (2) member states should ensure that the average percentage of 25- to 29-year-olds in the EU with at least upper-secondary education reaches 80 percent or more; and (3) the EU average level of participation in lifelong learning should be at least 15 percent of the adult working-age population (25–64), and in no country should it be lower than 10 percent.

It is too early to assess the effects of this new method. But recent developments in European higher education policy demonstrate that convergence (*not* harmonization) and shared goals have been accepted by most actors. Moreover, despite its unchanged limited competencies, the role of the EU in this field is being enlarged. This, however, is not generally accepted. The European Parliament contests the lack of democratic control over the open coordination method. Others point to its weakness in terms of the absence of legally binding instruments with respect to implementation at the national level (as is also the case in the Bologna process).

Comparison and Reflection

European actions in higher education have expanded over the last decades in terms of their reach across policy levels and geographical borders. Increased international competition urged national governments to enhance cooperation in order to achieve greater cohesion between higher education systems, Europe being an obvious level for joint action. The greater need and willingness to cooperate has helped to overcome some of the fears for reduced sovereignty. Resistance to harmonization and standardization, however, seems to remain, at least at the political level.

At this point the Bologna and the Lisbon processes are occurring in parallel. They show an interesting degree of overlap in rationales, objectives, and methods; and further convergence between the two may be expected. Still, there are also meaningful differences between the two processes.

First, the fact that the Bologna process was undertaken bottom-up and the Lisbon process is being led directly by the commission has implications in terms of perceived ownership.

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Second, there are differences in terms of the mode of multilevel governance these processes represent. In the case of the Bologna process this can be characterized as “mutual adjustment,” which has been described by F. W. Scharpf as the default mode of Europeanized policy responses to increasing interdependence. Here, national governments continue to adopt their own policies nationally, but they do so in response to, or anticipation of, the policy choices of other governments. In the case of the Lisbon process one could speak (in Scharpf’s terms) of “intergovernmental negotiation”—that is, coordination of national-level policies by agreements at the European level, but with national governments remaining in full control of the decision-making process and the transformation of agreements into national law and their implementation.

Third, throughout the various periods, the EU’s main rationale for action has remained an economic one, which is again clearly visible in the Lisbon process. And although the broad motivations and objectives of the Bologna and Lisbon processes may be rather similar, the two processes may diverge with respect to this point,

given the increased focus on the social dimensions and related public-good arguments in the Bologna process. Fifth, differences also exist with respect to the involvement of actors (for example, higher education institutions and students are more directly involved in the Bologna process than in the Lisbon process) and in the range of countries involved. Finally, the role of the European Union has moved beyond mobility and recognition issues into the policy field at large. The Bologna process has to some extent facilitated this change. But it has really been boosted by the Lisbon summit, where the heads of state gave the commission a mandate to undertake action—without, however, (so far) enlarging the commission's formal responsibility or legal basis for it. Notwithstanding these limitations, the commission has clearly enlarged its policy ambitions in the higher education area. The achievement of those goals may become difficult, however, considering the lack of direct policy instruments and may also be particularly challenged by the concurrent enlargement of the EU with 10 new countries in Central and Eastern Europe.

Private Higher Education with an Academic Focus: Chile's New Exceptionalism

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Chile has been both an early example and a patent case of transition from a predominantly public to a primarily private, market-coordinated, system of higher education. Higher education was privatized and deregulated, and competition imposed upon institutions. The creation of new private institutions was authorized in 1981, under a very lax licensing system. Public universities (including the publicly subsidized private universities created prior to these reform, the “old” privates) were required to charge tuition and engage in other revenue generating endeavors as public funding for higher education fell 40 percent between 1981 and 1990. What public funding remained would be, increasingly, distributed competitively.

Twenty years after Chilean higher education was reformed, “privateness” has come to be its dominant feature, with the private sector representing 93 percent of institutions, and 71 percent of enrollments. Nonpublic sources account for some three-quarters of total national higher education expenditures. All these figures set Chile among the world's leaders in private participation in tertiary education. Chilean higher education is extolled as a model, especially by the World Bank, and not only for Latin America.

Just as 20 years ago the homogeneity between public and private sectors of higher education made Chile anomalous in Latin America, today many features of Chilean higher education stand in contrast to common features of private higher education in the region and in other developing countries. Foremost is the presence of genuine academic work in the new private university sector.

Familiar Patterns of the Private Sector

The Chilean private tertiary sector conforms to much of what accumulating research on Latin American and global private higher education shows: proliferating private institutions unengaged in conventional academic ends, part-time and poorly qualified instructors, weak admissions and promotion standards, inadequate infrastructure, poor libraries, and programs concentrated in inexpensive fields.

Compared to Chile's public universities, the repertoire of functions is narrower in privates, which are devoted to teaching or training as their main activity. There are no research universities among the new private universities, and they will not come close to such a definition for many years.

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Also, governance is more hierarchical and less participatory in privates, where the most powerful central administrations are found. Their authority is the greatest in institutions devoted only to teaching, where no critical masses of full-time faculty exist that could slice off a piece of control, or support a stronger leadership role on the part of a dean.