returns such as law and medicine, and the private sector. Public universities now enroll 98 percent of all higher education students, but under this scenario the private sector will grow significantly.

Part of the promised increase in public funds is conditional on changes to governance structures, the introduction of performance management, and the replacement of collective bargaining with individual contracts.

The higher-status “sandstone” universities of Sydney, Melbourne, Queensland, Adelaide, and Western Australia and the newer postwar foundations of New South Wales and Monash are expected to be the chief beneficiaries. They would charge the top HECS rate and offer many full-fee places, ploughing increased private revenues into research programs, while becoming less dependent on high-volume sales of international education. Other institutions would generate less private revenues; and the promised increases in public funding, via regional loadings, the conversion of marginally funded places to full funding, increments for good teaching performance (agreed indicators are yet to be devised), and higher grants per student would be insufficient to compensate for a shortfall in revenue.

Part of the promised increase in public funds is conditional on changes to governance structures, the introduction of performance management, and the replacement of collective bargaining with individual contracts. Some vice-chancellors are pessimistic about their ability to secure these changes. Other changes in the policy package include scholarships for low socioeconomic-status-background students, albeit at only U.S.$1,500 per year; extra places in teaching and nursing, where there are shortages; initiatives to better university teaching; funds for promoting international education in new markets, and subsidizing off-shore enrollment by domestic students, financed by increased visa charges (strongly opposed by the universities); and the extension of audits by the Australian University Quality Agency to off-shore operations that have been the subject of recent controversies.

However, the main changes are the variable and increased HECS, full-fee places, and the HELP scheme and its extension to the private sector. This is a bold neoliberal reform that shifts the ground from under the subsidized HECS as a near universal and equitable basis for financing domestic students, substituting a high-cost status market, with direct buyer-to-seller relations, at the center of the system. The university sector would be remodeled to resemble secondary schools, where almost 40 percent of students are in private institutions, led by a high-fee independent sector modeled on British schools.

The proposed policies have the support of the Australian Vice-Chancellors’ Committee. However, student and faculty groups are opposed; the package conflicts with a long equity tradition in universities and is publicly unpopular; and the policies have yet to be passed by the upper house in the Australian Parliament (the Senate), where there is an antigovernment majority. The federal opposition, the Labour Party, opposes full-fee places and the proposed increases in HECS, and would introduce a modest increase in public funding instead. Some kind of package will eventually pass the Senate, as Australian universities are in financial difficulties, but whether the main features will survive Senate negotiation is unclear.

Japan’s National Universities Gird Themselves for the Latest Wave of Reform

Martin Finkelstein

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The foundation of Japan’s national universities is about to be shaken—perhaps a lot, perhaps only a little, depending on whom you ask—by a “new” reform initiative of a scope perhaps not seen since the Allied occupation post–World War II. Betting that the “key” to the future economic resurgence of Japan lies in the creation of a world-class infrastructure for research and development at its national universities, the Ministry of Education has undertaken two major concurrent initiatives designed to introduce competitive market mechanisms into the system: (1) the authorization for the national universities to incorporate as public corporations with a Board of Trustees, independent (at least theoretically) of the ministry; and (2) the authorization and incentive for academic units across the public system to move away from the tenure system toward fixed-term contracts as the basis for faculty appointments. Both these reforms are widely viewed (although not explicitly advertised as such) as a new phase in the “Americanization” of the Japanese system.
During the 2003–2003 academic year, I spent seven months as a visiting professor at Hiroshima University, one of the “major” national universities, and witnessed the transition firsthand.

The Before
For those less familiar with the Japanese system, we begin with the basic observation that it is much more continental European (specifically Germanic) in organization (without the Länder) than American. It is a quintessentially bureaucratic system, animated by rules for autonomous operation of self-contained academic units. The Ministry of Education interacts directly with individual academic units on the various campuses of the national universities—variously known as faculties (focused on undergraduate education), graduate schools, and research institutes and centers. These units are relatively independent of the university campus administration, a minimalist infrastructure that resembles university administration in the United States at the turn of the 20th century—albeit minus the all-powerful president (in Japan, the national university president resembles the titular head of a “loose” confederation of warlords who owe their only true allegiance to the king—the ministry bureaucracy. They operate quasi-autonomously, but within the web of “royal” rules and regulations established by the ministry and enforced by unit administrators who serve as the “in-residence” eyes and ears of the ministry.

Over the past decade, the Japanese national universities have been refocusing their energies on becoming world-class centers of research, science, and technology.

Over the past decade, the Japanese national universities have been refocusing their energies on becoming world-class centers of research, science, and technology. So, organizationally speaking, the major development over the past decade has been the growth in the sheer number (and small size) of such autonomous academic units at the national universities, particularly research units (variously labeled institutes or centers, of which any specialized academic field may boast at least several) and graduate schools. Unlike most other nations, the public sector in Japan has not been asked to assume major responsibility for expanding access to the younger generation. Indeed, in Japan, it is the large and explosively growing private sector that has over the past generation expanded to absorb the masses—now 500 institutions compared to the 99 national universities. And when enrollment plunges over the next decade, it will be the private sector that will be most vulnerable; and the national universities will be able to pursue the national goal of research excellence relatively undisturbed by market forces.

The Japanese academic profession has had the best of all worlds—a marked insularity from market forces and an extraordinary continuity in financial support.

At least in the public sector, then, the Japanese academic profession has had the best of all worlds—a marked insularity from market forces and an extraordinary continuity in financial support. Tenure has been a basic condition of employment (appointment); and there has been remarkably little pressure on the public sector. In part, this is the way of all social institutions in Japan—taking on a life of their own and being relatively impervious to changing external circumstances—as much as any defining characteristic of the university sector, per se. Moreover, and this is a defining characteristic of the Japanese enigma, this relative insularity coexists with an historically well-developed and lavishly (government-) supported program of bringing foreign scholars to Japan and sending Japanese scholars abroad.

The After, or the In-Between
To what extent will Japanese higher education be reshaped in the image of American higher education? How “independent” of the ministry will these new corporate entities be? Who will the trustees be and how will they be selected? Will a new breed of president emerge at the public campuses, reminiscent of the William Rainey Harpers and Nicholas Murray Butlers of the American university, or the corporate CEOs of today’s U.S. research universities? Will corporatization give rise to a vast administrative infrastructure in the Japanese universities, heretofore barely discernible, that will compete with the traditional faculties for influence in academic decision making? Will the introduction of performance funding, a nontenure system, and other market mechanisms increase faculty mobility and research productivity? Or, will it lead to the “casualization” of academic labor as we have seen in the United States and Australia and the increasing specialization of the faculty role along functional lines (teachers only, researchers only, program administrators only)? Will academic life become radi-
cally different for the new generation of Japanese academics who will be called upon to lead the Japanese system to world-class status? To what extent will the tenure (or nontenure) revolution be consummated, or successfully resisted by the faculties? And, even if successfully implemented, will a fixed contract system lead to any more mobility and productivity than a tenure system? This is a dubious outcome if we take the results of the Harvard Project on Faculty Appointments seriously (see, for example, Richard Chait’s book, *The Questions of Tenure*). More generally, will these American forms actually transform Japanese academic culture or merely superimpose themselves as an external shell on a functionally autonomous system? Can competition be infused into an inherently noncompetitive and bureaucratic culture?

These are very uncertain times for Japanese academics. The older generation approaches the implementation of these reforms with considerable trepidation—probably the first such period in a half century. And the younger generation remains silent, working harder than ever and wondering about paradise lost.

**Will New Higher Education Legislation Be Approved in France?**

**Christine Musselin**

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Although no new legislation has been enacted since the Savary Act of 1984, French universities have undergone some major transformations within the last two decades. They have coped with a second wave of massification (the number of university students increased by 72 percent between 1980 and 2000), introduced many job-oriented curricular reforms, enhanced their interaction with the local environment, and, above all, become institutions with more governance, after the introduction of four-year contracts between each university and the Ministry of Education at the end of the 1980s. These developments were able to occur even without modification of the 1984 law—although the law was often described as incompatible with strong university governance because it introduced additional deliberative bodies, increased the number of elected members within them, and prevented professors from exercising a position of power.

Nevertheless, there is a limit to what can be achieved within the existing constraints. The tensions over the transformations that have been launched mean the existing regulations need at least to be adjusted. Some current rules and statutes have clearly become counterproductive, retarding the emerging institutional autonomy of French universities. This situation has been criticized and discussed by many French academics involved in university management.

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**Some current rules and statutes have clearly become counterproductive, retarding the emerging institutional autonomy of French universities.**

Most of the measures included in the draft version of the higher education modernization act that was circulated in late spring 2003 in France were intended to address the existing obstacles. Unfortunately, the ministry’s timing for initiating this project (i.e., future legislation) coincided with the government’s push for a reform of the pension system. As a result, the Ministry of Education faced demonstrations from many high school teachers over the extension of the retirement age as well as over two further measures (the decentralization of some technical high school staff and retrenchments on nonteaching staff positions). The project received a rather cool reception, and many union representatives expressed their concerns about the lack of a preliminary consultation process. In order to concentrate on just one front, the minister, Luc Ferry, decided to withdraw the project for a while and to delay its negotiation until fall 2003.

**Interpreting the Negative Reactions**

At first glance, the uneasy reaction to the first draft is quite difficult to understand. First, this project, contrary to many past reforms, is not directed at completely re-forming the French university. Its content is indeed much more dedicated to continuing an already existing trend, following policies introduced by the previous (socialist) government. Second, and of course linked to this first reason, most of the proposed measures (with few exceptions) are not new. They suggest modifications that were developed, presented, and discussed in recent years and that everybody expected to find. Alternatively, the new law would stipulate already implemented reforms—such as the introduction of the licence, master’s, and doctorate structure as the new way to organize study programs in France. Moreover, very few of the measures