

Tradition and change in universities: The case of Australia Hijiyama University, 16 October 2009

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Komban wa! I am deeply honoured to have the opportunity to speak with you. Today I will discuss tradition, globalization and change in universities, with emphasis on their role in relation to *knowledge* in teaching and research. I will also discuss Australian higher education, which shares with higher education in Japan an exposure to the forces of modernization, national corporatization and the global challenge. Australia has different traditions to those of Japan, but in the two nations' experiences of higher education there is also much in common.

WORLDWIDE HIGHER EDUCATION

So, to begin with worldwide higher education.

Historically research universities combined the Humboldt tradition with their own national traditions

The dominant form of modern higher education institution around the world is a university devoted to all of teaching, scholarship, research and public service. This 'conglomerate' mission was established by Wilhem Humboldt in Germany and has spread across the world, though different universities combine these missions in a varying proportion. In all, teaching is underpinned by the spirit of scholarship (with roots in both Confucian thought and the Mediaeval Catholic Europe). And since the nineteenth century all universities have been drawn into the Socratic tradition of inquiry, which feeds into the scientific mission, though only some universities have the resources to undertake major science-based research programs. At the same time, in all nations, these elements common to the university as a worldwide institution are joined together with the different national cultural traditions and different political economies of nations. This has produced considerable variation between universities in different countries.

Globalization is the new element

The new element in all of this is globalization, 'the widening, deepening and speeding up of interconnectedness on a world-wide scale'.

Globalization has ...

Globalization in the field of knowledge, in graduate employment, and in policy imitation and emulation, has created a dynamic process of modernization in higher education all over the world. This is fostering partial convergence between university practices worldwide, and the part integration of universities into a single network on the world scale. Globalization makes international comparison, global competition *and* cooperation more important than before. Many universities struggle to be Global Research universities, or more powerful versions of that model. Many are recruiting fee paying intentional students. In some respects globalization has also weakened the role of national government and tradition in shaping higher education, though these are still important.

Institutions operate in three dimensions at the same time

In this period higher education institutions operate in three dimensions at the same time. They combine their inherited national traditions, national policy and funding, and local mission and character, with a Humboldtian research university tradition that has now been reworked as the Global Research University.

Global competition: Top nations in level of investment in higher education

At the same time, nations vary in the size of their systems and the level of public and private investment in higher education. The stronger the national and local base of support, the better equipped are universities to succeed globally. By far the greatest national investor in higher education is the United States. It spends seven times as much on higher education each year as the number two country, Japan. I do not have figures for China here. It is likely that China now spends almost as much as Japan on higher education and research. Spending in China has increased during the global recession.

‘HiCi’ researchers (top 250-300 in worldwide field), USA & Asia-Pacific

The incredible resources of American higher education help to explain its world leadership in knowledge and research and the prestige of its leading institutions. For example the USA houses a large part of the world’s leading researchers.

Top nations in research volume

The USA also publishes much the largest volume of scientific papers in English. Note also that Japan is second nation in the world on this measure.

World top 100 universities

Because it is the largest investor in higher education, its system is second largest in student numbers after China, and it has the bulk of the world’s leading

researchers, it is not surprising that the US also provides more than half of the top 100 research universities on measured research performance, according to the annual Shanghai Jiao Tong ranking. The United States has 17 of the top 20 universities, led by Harvard. The other three in the top 20 are Cambridge and Oxford in the UK, and Todai, the University of Tokyo. The UK has 11 of the top 100 research universities, followed by Japan and Germany each with six.

Average annual growth of spending on research, 1995-2005 (%)

However, worldwide higher education is changing. The last decade has seen the rise of knowledge economies in China, Taiwan, Singapore and Korea. China is now the number two investor in R&D in the world and its rate of participation in tertiary education is approaching one third. In the next generation these nations will shoot up the global research tables. Along with Japan they will turn East Asia into the world's third great zone of research and innovation, alongside North America, and Western Europe. The USA will be less overwhelmingly dominant in knowledge though it will still be global leader. Much depends on the extent to which the East Asian nations can build a cooperative approach to research as the nations of Western Europe are doing.

THE AUSTRALIAN HIGHER EDUCATION SYSTEM

Let me now turn from the worldwide picture to Australia and the case of the Australian higher education system.

Australia

First, Australia. Australia is much bigger than Japan in land, deserts, beaches, kangaroos and the number of flies in summer. But smaller than Japan in people, history, economy and culture. Australia spends 5.8% of GDP on education, and 1.6% of GDP on tertiary education, which is a little more than Japan. In both nations private investment in higher education, spending by households and corporations, is high by international standards. Japan, with its large private sector, spends 0.9% of GDP in private investment. Australia spends 0.8%; most of this is tuition paid by students in the public sector universities. Both governments underfund on the public side. Relentless efficiency pressures and ultra-competition for scarce resource dominate both systems. Governments use funding scarcity to control and shape the institutions. We have that in common.

Tertiary education in Australia

Australian education was founded in the British tradition and there are still many similarities with the UK in both policy and institution-level provision. Australia has 1.67 million students in vocational education and training and 1.03 million in

higher education, mostly in public universities. Today I will talk about higher education, where most students do three year degree programs or more.

Higher education in Australia

Australia has just over a million higher education students, 95% in the public sector. One quarter of the students are enrolled at graduate level. Just over 4 per cent of all students are doctoral students, but as in many other national systems non-research graduate degrees have grown in importance. In many professional occupations Masters degrees are required. In business studies, with so many business graduates in the labour market, a Masters is becoming essential. The role of graduate degrees in Australia is more important than it is in Japan. In Australia there are many more women students than men, as in most OECD countries. Strangely though only about 15 per cent of our professors are women. We have 273,000 international students, that's 26.5% of all students. This is the highest proportion of international enrolment in the OECD nations.

The public sector

In Australian higher education the public sector is overwhelmingly dominant, enrolling 19 students in every 20 and carrying out nearly all research. Public universities in Australia are relatively large, with Monash exceeding 50,000 students. The public institutions have been corporatized since the end of the 1980s and now have significant business functions, for example in international education, which provides 15% of funding. Local students provide 21%. Just 44% of the total funding of public higher education is from government. High quality research is concentrated, with two thirds of all research conducted by the eight top universities. These are each more than fifty years old. Research has to be subsidized and with public funding scarce, newer universities have not been able to build research capacity to the same level, which is much the same as in Japan. The traditionally strong universities, the old leaders, still rule the sector.

The private sector

The private sector has two universities that might become comprehensive research universities in future. It also includes specialist providers in business education and health sciences, small religious training institutions, and colleges specializing in commercial international education. It has played a minor role in Australia but is growing. Its students now have access to an income contingent loans system that is equivalent to that provided for the payment of tuition by public university students - low interest loans underpinned by government repaid through the tax system on the basis of income level. Graduates pay back tuition loans only when they have the capacity to pay. This form of tuition charge moderates the deterrent effects of the relatively high level of Australian fees.

Staff in higher education

Moving to staffing in higher education, with tight budgets, the ratio of students to academic staff has markedly increased and is now at more than 20 students to the equivalent of one full-time staff member. About half of all teaching is done by casual staff - the Americans call this 'part-time staff' – people teaching who are not employed in stable academic posts, who receive wages on an hourly basis and lack access to entitlements such as holiday pay and full pension funds. To break into a formal post it is essential to have a publications record but casual staff rarely have access to research funds or time to write. Despite these unfavourable conditions, in policy and management the emphasis on quality of teaching has increased, as a result of targeted government funding programs focused on teaching excellence, quality assurance, and student evaluations.

Participation and equity

In Australia the participation of young people in tertiary education used to be well above the OECD average but many other countries are catching up. Japan is stronger than Australia in the participation of young people, while Australia is stronger in adult education, though many adult places are occupied by students who have already done previous university study, rather than those who missed out first time around. The national government has identified the relatively low participation of indigenous people, rural families and students from the bottom socio-economic quartile, as problem areas that institutions should address.

Shares of world's foreign students

I mentioned earlier that the level of internationalisation of enrolments is very high in Australia, more than one student in four. Australia has 10% of the world's international students, remarkable for a country of 21 million people. Nearly all these students pay full cost tuition. There are few scholarships. Australia treats international education primarily as a money-making business, rather than a source of high quality talent in research, or a process of international cultural exchange. Government educational policy, immigration regulation and university management focus on building a large volume of medium talented students in fields cheap to provide, such as business and communications. Government funding reductions have driven market growth.

Four largest export sectors Australia 2007, AUD \$s billion

As a result of this approach Australia has built education into the nation's third largest export industry. This can be seen as Australia taking advantage of globalization, which has seen a pronounced growth in both the international mobility of skilled labour and in international education numbers. The one global

language is English and Australia has used its position as an English-language nation to 'capture' part of the global flow of students. The other nations taking this approach to international education are the UK and New Zealand.

Main countries of origin, international students, Australia, 2007

About 80 per cent of all Australia's international students come from Asia. China, Malaysia, Singapore, India and Indonesia are the main source countries. About half of all Australia's international student graduates become migrants to Australia. Through international education Australia is moving away from the 'White Australia' tradition inherited from Britain and integrating more closely with the Asia-Pacific region, while sustaining functional aspects of the British tradition such as a stable and transparent legal, economic and political system.

GOVERNMENT-INSTITUTION RELATIONSHIP

Finally I will comment briefly on the relationship between government and higher education institutions in Australia, where there are interesting parallels with Japan.

Government and universities 1

In Australia government has organized universities as a national competition for public and private esteem and funding. That is similar to Japan except that in Australia, the real competition is nearly all within the public sector. After twenty years of corporatization, university managements in Australia have more financial and entrepreneurial freedoms than in Japan. The culture of institutions is businesslike, managed, transparent and performance focused. Budgets are managed internally. There is no prescriptive medium term forward planning by government, though there are annual negotiations on priorities, and from 2012 government will no longer even decide student numbers. Quality assurance is light-touch, focused on self-regulation by universities not external evaluation, although it is now widely felt that this approach to standards has been too loose.

Government and universities 2

This sounds like the best of all higher education worlds, university autonomy plus efficiency, but it is not. The downside is the over-dominance of revenue raising objectives, the weakening of academic cultures, and the government and university micro-management of research which weakens curiosity-driven basic research and inhibits academic freedom. In some respects the climate for research is more healthy, and research is better funded, in Japan. Teaching is no better off in Australia because of severe resource constraints. Money earned from international students is mostly ploughed back into the commercial business (marketing, recruitment, services, new facilities, etc) not deployed to

build teaching and research. Australia is still following a British model, the New Public Management. But like the UK its system has become more American than before, though without the American levels of funding of higher education.

International student fee revenue, Australia, higher education, 1995-2007

The pressure on the business-like Australian universities to raise export revenues from international students have driven rapid growth in those revenues.

In summary, Australian higher education is:

Australian higher education as been shaped by the British heritage but is now increasingly focused on Asia-Pacific. The system is highly modernized and business like, compared to most national systems. Australia is a very strong export nation and a middling to good research nation. Universities are uniform in character but uneven in capacity and performance. A private sector is emerging. Raising participation, and the improving standards despite the scarcity of public funds are the main challenges of the next period. Australia shares with Japan the problem of extreme scarcity of public spending when compared with China or parts of Western Europe or North America. But Australia and Japan are at different points on the modernization curve, and in Japan a more distinctive national tradition modifies the Global Research University model. National language not global language are dominant in Japan and more than 95% of staff have PhDs from Japan. In Australia a high proportion are foreign trained.

Thank you for listening!

Looking beyond the Australian case, let me leave you with two conclusions. First, higher education institutions now have to meet two requirements. Many strive to become World Class Universities, global research universities. At the same time, while engaging in global activities they must sustain and develop their *own* mission and identity. Otherwise they will be enveloped by globalization, which in this period means becoming Americanized. Institutions need to *both* maintain, and also change and develop, their national and local selves and traditions. Second, global higher education involves more than just competition between nations. Increasingly, we work in common systems of knowledge that span across the nations. Cooperation is probably the most important aspect. Along with the economy and communications, higher education and research are key influences in shaping the global society of the future. What we are doing in higher education is very important.