

Chapter 3

LITERATURE REVIEW

Introduction

This chapter reviews research and other literature, which has been relevant in the design of the study and in developing the conceptual approach. It also considers literature that introduces important concepts from the viewpoint of the study.

As an introduction, I discuss briefly the specialties of the university organization when it comes to culture, in light of history and development that have had an influence on the development of organizational culture. I mention the importance of certain participants in organizational processes. The following section of the chapter considers key literature dealing with the concept of public policy and with the policy processes. Finally I look at different types of organizations, with the main weight being given to political models and especially “*organized anarchy*”, in an effort to identify what features characterize a university. I also consider literature on other organizational features that may be important for the development and performance of a university, such as management and leadership styles, and processes of change. I also discuss the possible role of attitudes to innovation and diversification for institutional success.

The University Organization

Any organization has a wealth and at times a burden of history and traditions which are unique to it. An institution for higher education is rooted in academic traditions. To be a recognized academic institution is not limited to the national environment, because universities all over the world have been founded in long-standing traditions which again are based on old philosophies about learning. In any university, the quality of teaching and research will be compared and measured according to the highest international academic standards, even though a small number can achieve at the highest levels. Governing of the

university has never been a matter solely, or even mainly, for the Governing Board¹ or the administration. Part of the university tradition is the formal and informal influence of the academic staff - formally through collegial assemblies. There is a strong tradition in the university for these two lines of authority: the administrative line and the collegial line. Theoretically each has different responsibilities but, since almost any administrative decision is likely to influence academic life, the responsibilities and areas of influence tend to be somewhat mixed up. This organizational model has been labeled the collegial model. Recently the tendency worldwide has been to strengthen the status of the Governing Board on the expense of the collegial assembly², and to increase the power of the professional management of universities.

A university is an organization in a modern society where a high level of competence is gathered within a diverse range of scientific and scholarly areas. Because of their level of expertise academic staff generally feel that they should be able to contribute to policy making. To govern a university in the same way as a commercial enterprise is dangerous for university leaders, although in the modern world universities are increasingly being required to earn substantial amounts of their own financial resources. The university's environment sets limitations and gives opportunities, and also has expectations with regard to performance and outcomes. Societies rely on the ability of universities to produce the required numbers of professionals and other highly skilled personnel to meet the nation's needs and facilitate its international competitiveness. There is increasing competition among universities for students and for externally funded research and development (R&D) contracts. Increasingly, private educational institutions both nationally and internationally compete against public institutions for students and research funds.

History and Culture

In addition to its academic traditions, each university is rooted in a geographic region, has its special course portfolio and academic standing, external connections of different kinds, and a certain status in a group of institutions it compares itself to. The importance of the primary task tends to reduce the academics' respect for administration and administrative

¹ In Australia often called the Council

² In Australia often called the Academic Senate

leadership, which is often seen as something that takes the attention from the primary activity, and draws on the scarce resources. The autonomy of the sub-units is both structural and cultural. If some parts of a university are not very successful, it is unlikely that other parts will intervene to “help”. Such actions have to come from the top leadership, or from the malfunctioning unit itself. The leadership must be strong enough to intervene and look for solutions, which may imply use of additional resources and lead to change. Leadership in universities will be discussed later in this chapter.

The history and traditions of institutions including processes of re-organization and merger influence the performance of the university. The smoothness or frustration of extensive change may impact on institutional culture. It seems reasonable to assume that traumatic amalgamations may create anger and reluctance to new change, even if it is obvious that current performance is not strong. On the other side, comprehensive change may turn out as strength or weakness dependent upon a variety of features, such as leadership, development of general commitment to common goals, later organizational developments and the financial situation. These connections are complicated and the complexity of historical, social, and organizational features of an academic institution makes it almost impossible to foresee the outcome of a change process.

In many countries, abolishment of binary systems for higher education meant that institutions with very different traditions were forced into the same system. In Australia the new system was called the Unified National System (UNS), and the introduction of UNS (the Dawkins reform, see chapter four) led to encompassing amalgamations at the end of the eighties. Mainly based upon standards for funding related to institutional size, universities chose to amalgamate with colleges for advanced education. The last ones were more vocationally orientated than the universities, and offered traditionally health studies, teacher training and technological education. The new-comers brought new strengths and philosophies into the university world: practical skills in and philosophy and knowledge about teaching from the teacher colleges; the wider perspectives of humanity, health and social education; and practical, entrepreneurial and sometimes innovative attitudes of the technological sciences which often is more concerned with practical development and improvements than with history and tradition. The old universities may not always have been aware of the possibilities for renewal and growth that the mergers might give, but more with worries for lower academic standards, combined with contempt for new

colleagues and their lack of research experience. Some new universities consisted solely of one or more earlier colleges for advanced education, which might give them a second class stamp, and certainly less funding.

Eldridge and Crombie (1974) stated that organizational culture refers *“to the unique configuration of norms, values, beliefs, ways of behaving and so on, that characterize the manner in which groups and individuals combine to make things done”* (quoted from Burnes p 112). This definition has been adopted by several writers on organizations. Culture defines how people should act in a certain situation. To understand behavior in an organization, it is necessary to have an understanding of the culture: *“To understand behavior in a social system, ...it is necessary to understand its articulation with the culture in which it is embedded”* (Getzels et al, p 93). A strong culture of the “Task”-type (Handy in Burnes, p 113) can save rigid routine descriptions and rules, and the tensions connected such rules: *“Task cultures... are job- or project- orientated; the onus is on getting the job in hand (the task) done rather than prescribing how it should be done. Such types of culture are appropriate to organically structured organizations where flexibility and team working are encouraged. Task cultures create situations in which speed of reaction, integration and creativity are more important than adherence to particular rules or procedures, and where position and authority are less important than the individual contribution to the task in hand”* (Burnes p 113). In a university the primary activity is effectuated by specialists in the subjects areas, and only they can decide how this is best done. The organizational culture must value and nurture this important characteristic of a university, if the organization is going to have the support and confidence of its most important employees.

Culture is a sum of organizational purpose, structural features, history, the history of reorganization and change, and the people and groups within it. The culture of an organization includes myths and sagas, for example, concerning the origin, the past, central persons. Sub-cultures are likely to occur in big organizations, especially with autonomy in the sub-units. If an organization does not perform well, one solution might be to try and change the culture. Based on how culture is developed over many years, this may not be easy: *“Culture as a whole cannot be manipulated, turned on or off, although it needs to be recognized that some organizations are in a better position than others to intentionally influence aspects of it.... Culture should be regarded as something an organization “is”,*

not something it “has”; it is not an independent variable nor can it be created, discovered or destroyed by the whims of management” (Meek in Burnes, p 119). Based on extensive studies in UK, Dobson identified four steps that could make change of culture possible:

- *Alter the composition of the work force by changing recruitment and selection policies, as well as redundancy policy.*
- *See that those employees and managers that show the wanted attitudes get influential positions*
- *Communicate the new values: hidden “education” of the organization member by consequent exposure of the new belief system by the leadership.*
- *As reward and appraisals may help to change culture, procedures connected to such ought to be changed.*

These actions are directed to influence directly the members of the organization. Cummings and Huse (1989) also stresses the importance of a clear vision for the new strategy, the commitment to the new values from the top management, the necessity to change the organizational structure, information and control systems and management style (Burnes p 116).

While the history of the institution is an important factor in the development of organizational culture(s), the culture impacts on the management structures and the leadership style; on planning processes; on the traditions for cooperation and which forms cooperation takes; on the involvement at different levels; to what degree team work and involvement is wanted in the different development processes; on the ability to recognize the need for change and possibility to handle it. External conditions also influence on these features of the organization. Part of the Dawkins-reform was to strengthen the management of the restructured universities: *“Effective Management at the institutional level will be the key to achieving many of the Government’s stated objectives for the unified national system”* (Dawkins, 1988).

Staff and Students

There are other features than the organizational that create a strong university with the ability to change. The academic staff is important, both their academic level and their

attitudes including attitudes to leadership and change. Part of academic performance is the building of links and the participation in networks. A university's external and especially international links almost always are based on individual academic links. Recently it has become more common for administrative leaders to take initiatives to research co-operation agreements and agreements with industrial enterprises. The reasons are often economic and strategic, but even then the well functioning of the agreements is dependent upon the ability and support of the academic community.

The strongest feature for the positive development of a university is the attitudes to individual students. Such attitudes will assure the quality of the courses, and the quality of the outcome. Unfortunately the tight control of the university performance and demands for financial diversification may threaten the possibility of maintaining such attitudes. The problems with the financing of the universities may lead to bigger classes, enrolment of fee-paying students and awarding of degrees by reducing academic standards, delivery of mass-education by distance without quality assurance, more applied research and less basic research. Information technology is a special brick in this wall. It creates possibilities, but may lead to second- or third-class higher education for the less privileged persons. So the respect for the individual student must have support from the funding authorities.

Federal Policy Development and the Universities

As already noted, there are many definitions in the literature of policy and in particular public policy. One appealingly simple definition is that offered by Dye (1975) that public policy is "*anything a government chooses to do or not to do*". This includes matters addressed publicly by governments but also matters **not** addressed. Policy analysis, according to Dye, is "*finding out what governments do, why they do it, and what difference it makes*". Studies of public policy may concentrate on the causes or pressures for a new policy, how the new policy issues were handled by governments and government agencies, and the consequences and impact of a particular new policy.

According to Peters (1986 p 4), "*public policy is the sum of the activities of governments, whether acting directly or through agents, as it has an influence on the lives of citizens*".

The implication of this definition is that there are policy choices to be made at some level, the choices lead to an output - for instance, in the form of a governmental program implemented by the appropriate body - and this output has an effect on the lives of people. This effect is called policy impact. Public policy is a complex matter, involving often numerous organizations and individuals at a number of levels, both in the development process and in the implementation. The influence on the lives of people or organizations can be executed by legislation, by economic means, or through services connected to the policy (new health schemes, for example). In handling a new policy, most governments and government agencies follow a number of sequential steps. In summary these can be described as follows: agenda setting and issue clarification, policy formulation and policy choice, implementation and evaluation.

Anderson (1979) defines public policy as “*a purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern*”. This definition focuses on the direction of what happens as a consequence of the policy, not the intention nor the single decision. It implies that policies, public or other, have purposes and that decisions will follow a pattern. It implies action, not only intention. Public policy will mostly be authorized by law. The development of a policy will originate from some demands from interest groups, business interests or members of the community with shared values. Policy decisions are made by those who are authorized to make them and decisions are expressed in policy statements. Statements, which make up policy formulation, include legislation, executive orders, administrative regulations, and political speeches and statements from those who are in charge. Policy outputs are the results of the application of the policy while policy outcomes are the consequences for those it has impact on.

The policy environment is important for every step of the policy process. The environment includes nature and resources, demography, political realities, the economic system and international influences. People in different positions have the capacity to exert influence: official policy-makers such as members of legislatures, Ministers and officials in departments; the courts; the media; and unofficial participants like interest groups, political parties, and individual citizens in certain cases.

According to Howlett and Ramesh (1995), policy science focuses on what governments actually do. They take a multi-disciplinary approach. The stepwise analysis of the policy cycle is not rejected, but it is stressed that policy analysis needs to take into consideration the complexity of each stage because there is a complicated system of influence affecting outcomes. “*What is needed*”, they write, “*is an analytical framework that permits consideration of the entire range of factors affecting public policy, and allows hypotheses to be tested through the empirical analysis of the reality analysts are attempting to describe and understand*” (p 41). Both goals and means of policy are commonly analyzed, and values are often part of the analysis. The effort of the different actors is important, but institutional realities have significant influence on the policy decisions: “*Individuals, groups, classes, and states participating in the policy process no doubt have their own interests, but the manner in which they interpret and pursue their interests, and the outcome of their efforts, are shaped by institutional factors*” (p 51). This means that different actors involved in the process and their power and level of knowledge, as well as the organization of the state (including the political system, the organization of the society, administrative factors) and the organization of the information system will have influence on the output. The development of policy subsystems is a complicating factor in the process. Policy subsystems consist of key private and public actors influencing or trying to exert influence on a policy process.

Millikan (1987) rejects the idea that a proper and correct five-step policy model is possible. There are severe constraints to optimal policy-making: “*personal preference of the policy-makers; individual and collective irrationality and logicity; sheer political expediency; intuition and “gutfeeling”* (Millikan p 24) (political means here a situation where personal reward or potential for reward affect the process). Millikan defines policy as the “*preference of a decision-making body*” and sees policy making as “*the process of aggregating and clarifying the values preferences of a decision-making group and its constituency, in light of a range of stimuli and constraints, in relation to an issues or a proposed action*” (Millikan p 25). Millikan’s politically-expedient policy-making model with four interconnected phases underlines the pragmatic and economic rational characteristics of the process, rather than a stepwise receipt leading to presumably rational outcome. He does not want to underestimate the policy process, but rather to reveal the “*actual processes and hidden agendas*” during the process.

Davis, Wanna, Warhurst and Weller (1993) define public policy as “*the interaction of values, interests and resources, guided through institutions and mediated by politics*”. They accentuate the difference between Australia and other countries, above all the USA, the leading nation in the field of policy studies. In Australia, with a federally structured political system, leading to two major policy making levels, the federal level and the state level, there are often certain interest differences and power competition. When it comes to policy on higher education, the federal level has achieved a superior influence, even though education was intended by the founders of the constitution to be a state function. This shared responsibility is a factor that can influence development and implementation of governmental policy in Australia.

Stages in the Policy Process

In the following, I propose to discuss views of different scholars about the stages of the policy process.

Agenda setting is the process of putting the need for a new policy on the map. According to Peters, the incentive to introduce new policies may come from the national or international environment, and be caused by economic, political or social changes. Somebody must see a need for a change; they must see that something is wrong, or that there are possibilities for improvement by the introduction of a new policy. Agenda items often originate from the political environment, but influential individuals, organizations and other groups may have considerable power in putting items on the public agenda and, in turn, ensuring that they find a place on the political or government agenda. If the case is strong, it will be easier to get support both from other actors outside of government and also often from people within government. What is seen to be good or desirable will differ with economic, social and political circumstances. Once an issue is on the agenda and if the process continues, work commences on developing a solution to address the problem. Andersen refers to the agenda setting as policy formation, and agrees that the start of a policy process is that a problem manages to find a place on the agenda.

For Howlett and Ramesh, agenda setting commences when a problem is recognized by the government or by influential groups in the community. Political, social, and ideological factors in a society have influence on which problems gain attention. The problems that

gain attention are likely to differ between countries and often between regions. Not the same problems will be addressed in USA as in Vietnam. Howlett and Ramesh established a model of agenda setting styles “*based on the inter-relatedness of public and governmental support for a specific claim or demand for governmental action*”. In their view, problem definition will be influenced by material interests as well as ideologies, culture and political regime and the nature of the problem itself.

In the policy formulation stage, the problem is addressed and studied from various perspectives. In Peters’ view, the problem may be analyzed from the viewpoint of different organizational theories, predicting the expected outcomes (economy, decision theory, culture and tradition, political ideology). Stakeholders’ influence on formulation is important for the policy, as the formulation may predict the outcome. Different interest groups as well as sections and individuals within the government may have different goals and expectations. Background knowledge on the issue and possibility to predict the outcome and know what it takes to achieve a desirable outcome is crucial for success in the formulation stage, which usually results in some participants in the process being particularly influential.

According to Howlett and Ramesh, formulation is determined by the knowledge of the policy community (those who formally have a say) and the interests of the surrounding environment which they call the policy network (those who try to influence on those who formally have a say).

For Andersen, the policy formulation stage involves consideration of different courses of action that may obtain a necessary level of acceptance by those involved. This implies that the process of policy formulation and the next step, which is “adoption” (policy choice), are very close. The actual policy decisions may be stated through legislation or executive orders. At this stage, consideration of what is possible influences the final decisions. The decision criteria may be based on values, such as political views, and on public opinion and whether there seems to be strong reasons to proceed or defer the decision. Peters agrees that the policy choice implies consideration of what is possible. In his words, the policy choice must have *legitimization* if implementation is going to be successful. The legitimacy of the choice may be obvious to wide sections of the community, but some persuasion may be needed for the choice to be accepted.

Howlett and Ramesh see this phase as a process of narrowing in, not only because a choice has to be made between a number of alternatives determined in the earlier stages, but also because the number of actors is reduced at this stage. Further, constitutional realities, as well as other constraints limit the freedom of choice between alternatives.

The stage of implementation can be hard to distinguish from other stages and there is likely to be some degree of overlap between stages. In my case, I define the implementation phase as the application of the actual policy decisions and the following actions. Regulations, rules and support activities from the governmental side constitute a framework of limitations and possibilities for the implementing institutions. In the case of higher education policy, the universities are the main instruments for achieving policy goals. Unsuccessful implementation may be due to the complexity or nature of the problems, the character of the policy goals and the policy developed to solve the problems, or the implementation phase may be poorly planned or conceived. While a wide range of different ideas can be transformed into plans, whether or not they are likely to succeed will be uncovered in the implementation phase. In addition, circumstances change from the initiating phase to implementation and evaluation.

Peters' view is that implementation can be a particularly difficult part of the process since it involves application of the policy to particular situations or problems. Implementation is often introduced by a process of legislation directed to achieve the goals for the new policy. The legislation outcome as well as the budget necessary to implement the policy may obstruct the policy outcome. Often a particular branch or section of a government department or agency is given major responsibility to implement the new policy. The organizational features of the implementing instrument will be important for the outcome. The different parts of the organization may have different goals, operating procedures may be badly coordinated, organizational communication lines may be inefficient, and unrealistic time limits may be set. In many cases, the implementation plan itself may be flawed.

Anderson is also concerned with the importance of the implementing body. If the policy decisions are set by law, this will increase the possibility of success. Then follows an administrative phase in which particular features of the administering body is crucial,

including organizational structure, administrative politics, administrative policy and rule-making characteristics and attitudes to the policy.

According to Howlett and Ramesh, several factors may make the policy implementation difficult including:

- the nature of the problem itself;
- the policy may try to target a too complex problem area;
- the characteristics and size of the target group; and
- the intended change in behavior may be impossible to achieve.

Implementation is also dependent upon the social, economic, technological and political context in which the change is supposed to take place, as well as the organization of the administrative apparatus implementing the policy. The level of general support for the policy direction in the society may be very important. Choice of the instrument for implementation is crucial. In some cases, such as recorded in this study, the choice of instrument seems obvious, but in other cases solutions such as total commercialization might have been considered. Facilitation factors include clear goal statements, the need for the policy must be easily understandable, sufficient resources for the implementation being allocated, implementation procedures being clearly described, and whether or not the implementing body has the will and expertise to do this successfully.

Majone and Wildavski ask: “*How can ideas manifest themselves in a world of behavior?*” (p 7). They list a number of theories of implementation, for example:

- The planning-and-control model: Implementation will develop according to a plan, and the policy goals will then be achieved.
- The interaction model: An implementation phase is an evolutionary process where the policy plan is just a “*collection of words, to be used as a base for bargaining between the participators*” (p 7). The process is the purpose, and the most important outcome of the process is consensus on goals and a certain commitment to the policy.

The base for their model development is that goals mostly are multiple, conflicting, and vague; and that constraints to policy implementation are impossible to foresee because of our cognitive limitations and the dynamic quality of the implementation environment. A

policy is then to be seen as “*multiple dispositions to act or to treat certain situations in certain ways.*” Things change during the implementation process (meaning that goals and means may be readjusted), the resources available is a limiting factor, as time is, procedures and sequence of implementation are mostly a matter of choice; this suggests that “*implementation shapes policy.*” At the same time, there is always some similarity of the outcome with the original idea since usually major disagreements are addressed in the stages prior to implementation. Majone and Wildavski claim that implementation is evolution:

At each point we must cope with new circumstances that allow us to actualize different potentials whatever policy ideas we are implementing. When we act to implement a policy, we change it. When we vary or alter the amount of or type of resource inputs, we also intend to alter outputs, even if only to put them back on the track where they were supposed to be. In this way, the policy theory is transformed to produce different results. As we learn from experience what is feasible or preferable, we correct errors. To the degree that these corrections make a difference at all, they change our policy ideas as well as the policy outcomes, because the idea is embodied in the action (p xx).

The following “principles” for implementation as evolution can be outlined from this quotation:

- Policy change through the implementation process;
- The rationale for changes ought to be made clear; and
- Evaluation must relate to the central idea of the policy, and to the implementation chosen on basis of this idea.

The main thing is to be faithful to the policy idea, and this may imply unfaithfulness to the policy, as it is embedded in legislation, court decisions and bureaucratic plans.

March (1988) has drawn attention to the common discrepancy between policy goals and what is implemented. This is a natural consequence of the fact that frequently of necessity goals are ambiguous, as they are the results of negotiations between competing coalitions furthering their own goals during the policy formulation process. The different participants have different expectations of the outcome and participate for different reasons. Hence “*official policy is likely to be vague, contradictory, or adopted without generally shared expectations about its meaning or implementation*” (p 159). This ambiguity is a consequence of the need to gain sufficient support for the policy. The outcome may be

somewhat unsatisfactory, but the problem is that without these negotiations and the resulting ambiguous goals, the policy would not gain the necessary support and inaction would be the alternative.

Once implementation has been achieved, the policy outcome should be evaluated and evaluation may finally lead to policy change. Evaluation may be difficult because goal formulation is unclear. Even if goals are clear, it may be difficult to measure the outcome. According to Peters, minor policy changes based on experience or environmental changes are likely to happen frequently after implementation. The process of policy change will be similar to a full policy process, but on a smaller scale. In the case of change, however, there may be additional complications because the groups who implement policy, those upon whom the policy has (or should have) an impact, those who evaluate the policy and voters in an election may all have different opinions of the policy outcome, and may wish to have a say.

The evaluation of policy can include attempts to assess outcomes by measuring the impact on the target population or on the problems the policy was designed to address (Anderson). Ideally there should be prior agreement on what the measure and how to do this. If, for example, the goals are unclear, the situation for the target group is otherwise unstable, or there are difficulties in gathering adequate data, measuring of outcomes becomes exceedingly difficult. If the impact is not as intended, this may be for a variety of reasons including inadequate resources being allocated for the purpose, the administration of the policy may have obstructed the result, the policy may have failed to address the problem adequately, the reactions from those exposed to the policy may have led to negative results, the policy goals may have been in conflict with each other, the definition of the problem may have been changed during the process and new problems may seem more important at the phase of implementation. Policy change or termination of the policy may be the result, or even development of a new policy (Anderson p 25).

The evaluation process is a process of learning (Howlett and Ramesh). Evaluation may be administrative, judicial or political. Political, cultural and ideological preferences may cause very different judgments of the success or failure of a policy. The different points of view of evaluators indicate that there necessarily is no general acceptance of a policy once

it is implemented. Sub-policy systems may even in this phase influence on further development.

Organizational theories applied to universities

As already mentioned, universities are organizations with special features which often cannot be adequately described using traditional theories of organizations. Classical theorists describe organizations as rational entities and regard the design of organizations as a science. The optimal organization can be constructed by the use of optimal organizational structures, by the use of appropriate leadership styles and by the application of well-conceived reward structures for employees. If employees get sufficient rewards for their work, they will work for the organizational goals without asking for influence. Theorists in the classical traditions are Frederick Taylor with his theories on scientific management, Henry Fayol with his general administration and management principles and Max Weber with bureaucracy theory.

Later organizational theory has looked more to the reality, and realized that the landscape is the basis for the map, not opposite. The main postulates characterizing, for example, Human Relations (Elton Mayo, Abraham Maslow) were: *“People are emotional rather than economic-rational beings; Organizations are cooperative, social systems rather than mechanical ones; Organizations are composed of informal structures, rules and norms as well as formal practices and procedures”* (Burnes, p 47). The contingency theory (Tom Burns and Graham Stalker, Paul Lawrence and Jay Lorsch, James Thompson) in the sixties saw organizations as open systems, where the key components of the structure is dependent upon the organization’s purpose, size and characteristics in the environment. The structure must fit organizational factors, and there is no best way for all organizations.

More recently, cultural aspects have received attention from theorists on organizations. Japanese leaders build an organizational culture that obliges workers to strengthen and sustain the life of the organization. This “bonding” of workers has been of interest to organizational theorists from various parts of the world. Tom Peters and Robert Waterman have developed a culture-excellence approach to organizations by studying American successful enterprises, asking: *“What brings the activities of the organizational members to*

focus upon those purposes which lead to effective performance is the existence of a strong and clearly articulated culture” (Watson in Burnes 1996 p 95). The theories of culture-excellence have a prescriptive element and aim also to point to what will be needed from organizations in the future. Typical features are an entrepreneurial management; brain is more important than muscle power; and use of information to create ideas is crucial. A flexible, open and pragmatic culture is expected to create entrepreneurship and creativity in a learning environment. Ideally the organizational structure should be flat, with the importance of structure decreasing, workers becoming more flexible, adaptive and committed. This decreases the need for control mechanisms and the individual employee is secure to the degree that he/she stays attractive to the firm; individuals can create their own opportunities and be paid by performance. A mutual responsibility to organizational welfare will develop. Problems will normally be broken down to smaller problems, which are tackled by ad-hoc groups such as project teams and quality circles. This makes the organization work like a matrix organization in problem solving. By using the “best” participants for the actual purpose, innovation and experimental attitudes may be furthered.

Although Peter’s theory has been developed from studies of commercial enterprises, the focus on creating an environment for innovations is relevant to the university as an organization. The use of project teams to solve certain tasks brings into mind the common use of committees, for example, in the planning phase in a university. The tradition of shared decision (collegial model) between administration and faculty indicates that the staff has a real say in the decisions of the organization. The social aspects of the organization are important within this collegial model, and individuals and groups represent forces that must be acknowledged as a power factor. However, culture-excellence theories seem to take for granted that through the internalization of the organizational culture, conflicts, group interest and other political activities will be done with once and for all. But in periods of change, conflict and political activity have to be taken into consideration. On the other side, the collegial model, as harmonious as it sounds, may be better described by the features of a political model, or even an anarchic model.

Political Aspects of the University Organization

One cannot take for granted that all members of an organization work together peacefully with the one thing in mind: fulfillment of the organizational goals. Rather it often seems that an organization is the arena for personal fights and group activity aimed to change patterns of power and resource allocation. Several organizational theorists have observed this fact in analyzing the organization as a political system. According to Robbins (1987), an organization consists of people who come together to perform certain agreed tasks. If the organizational culture is strong and has a perceived legitimacy, it is likely that the members will agree upon the tasks and strive to fulfill the organizational goals. But even within a strong culture, members may want to follow other goals. According to Handy (1986), individuals and groups have a tendency to pursue their own interests and ignore organizational goals if they are not consistent with their own. In some cases, the activity of particular individuals may even aim to bring organizational goals in line with their own goals. Zaleznik (1974) studied what happened in organizations with scarce resources and found that in such situations resources become sources of power and influence, leading to competition between groups to increase or maintain their resources. Some organizational members such as administrative leaders have a formal right to distribute resources. This fact may lead to the misunderstanding that their actions can not be categorized as political.

Gareth Morgan (1987) sees the organization as an arena for interests, conflicts and power. When different interests are present, conflicts may occur, and power and influence are means to resolving the conflicts. Decisions are a result of bargaining and compromises. Significant power can be achieved by establishment of a dominant coalition, which is *“the one which has the power to affect structure”* (Burnes p 127). The choice of structure will bring some people and groups into advantageous positions and disadvantage others. In the following discussion, I will examine more closely different kinds and sources of power, and the reasons for and consequences of competition for power in an organization.

Power can be defined as *“an individual’s capacity to influence decisions”* (Robbins 1987, p 186). Etzioni categorizes the kind of power that can be - and is - used in an organization, in three types:

- *“Coercive power - the threat of negative consequencesshould compliance not be forthcoming*
- *Remunerative power - the promise of material rewards as inducements to co-operate*

- *Normative power - the allocation and manipulation of symbolic rewards, such as status symbols, as inducements to obey*" (Burnes p 125)

Robbins very sensibly adds a fourth type: the control over information. In the age of information technology, this will become more and more important. Authority, he defines, as the right "*to act, or command others to act, toward the attainment of organizational goals.*"

According to Max Weber, an organization needs to achieve compliance from its members. This is achieved by the use of authority, which is a source of power. Authority can be legitimized through charismatic, traditional or rational-legal leadership. Depending on the authorization types, the administration of the organization will have distinctive features:

Charismatic leadership is founded on admiration for an inspiring leader (Henry Ford) or even belief (Mahatma Gandhi, Dalai Lama), typical in political or religious organizations, and even in nations like Hitler's Germany. The administrative structure is dependent upon this leader, and is in danger when the leader dies or otherwise disappears. People obey a leader with *traditional power* because they are used to it - it was always like that. The leader's status is inherited, like in a kingdom. Leader positions at lower levels are also inherited and, for those who are administered, this organization often represents a loss of freedom. The army may be a good modern example, the feudalism an older one.

The *rational-legal* authority type is typical in a bureaucratic organization. This organization is structured to achieve certain goals, and ideally it functions as a machine furthering these goals. Rules and procedures are followed by the employees, with no personal preferences, and this has as result that authority is comprehended as being legal. The bureaucratic organization develops specialized functions, divisions of labor and hierarchical organization. Existence of rules, procedures and the keeping of comprehensive records are important for the equal treatment of clients and cases. The bureaucratic organization is the ideal one to Weber, unlike the modern understanding of bureaucracy, which tend to be synonymous with inefficiency (from Pugh et al. 1983).

However, power is not only attainable for those with legal authority, but can be achieved through political activity at any layer of the organization. Political power can be defined as: "*efforts of the organizational members to mobilize support for or against policies,*

rules, goals, or other decisions in which the outcome will have some effect on them. Politics, therefore, is essentially the exercise of power” (Robbins 1987 p 194).

An organization that is best described as a political model may seem dysfunctional. Many writers maintain that this is not a fact, but quite opposite since conflict is necessary for the development and renewal of an organization. In addition, as explained by Harald Enderud (1980), influential political activity in a university as in other organizations seems to be particularly important in periods of major change.

The Organized Anarchy

In the following section, I build on Harald Enderud’s article on “*Administrative Leadership in Organized Anarchies*” (Int. Journal Nov. 1980 p 235 - 253). In an organized anarchy, goals-means relations are unclear, complex and often conflicting. The sub-units have a high degree of autonomy, participation in the governance of the organization is normally low, participation patterns are irregular and the decision structure is ambiguous, leaving open the possibility for interpretation. There are two ways of decision making in an organized anarchy:

I. When interest is low, and hence few participants are involved in the decision making processes, problems can be solved by the responsible person nearest at hand. This could be administrative staff, and often there is cooperation between academic and administrative members of the leadership. Most decisions even in an organized anarchy will be of this kind.

II. Sometimes the nature of the problem, and the importance of the decision, awakens a broader interest and, as a result, more complex decision-making process will be more suitable. Enderud has developed a four-phased model based on studies of universities in Denmark:

- A typical anarchic bull-session phase where problems are thrown in, possible solutions suggested, potential participants activate themselves and choice opportunities are presented.

- A phase of negotiations follows, possible bases for compromises are outlined, and agreements are discussed between central participants. Small committees are often established as the fora for discussions. This is a phase of bargaining and political activity is part of it, but in a university organization this reality is often disguised as rational and analytical problem solving, and to come further it is important that this image is kept up.
- In the persuasion phase, fewer participants try to sell the solutions to those organizational members with less interest in the problem. Along with information goes a testing of the attitudes to examine whether there is hope that the compromises will be accepted. This phase has features of the idea of collegial decision making tradition usual in universities. In this phase, decisions are made formally. For the content of the decisions, the two previous phases are much more important, however.
- The administrative (bureaucratic) phase comes before and during implementation. Still influence is possible: the solutions may have to be supplemented and modified, some issues which earlier were forgotten (conscious or not) have to be settled, and the divisions are made fit for implementation.

The model implies that an organized anarchy at different stages of the decision process functions successively as an anarchistic organization (phase 1), a political organization (phase 2), a collegial organization (phase 3) and a bureaucratic organization (phase 4). The borders between the phases are not strict; jumps backwards and forwards occur. The role, strengths and tactics of the leadership are important for the progress of the process.

According to Enderud, more decisions in universities tend to be based on this second way of decision making. This results in distribution of power and greater support for the results.

A university will have features of several organizational models, at different times, at different stages of the decision process, and in the handling of different types of problems. In my study of the policy and implementation process, I find that the anarchic model describes a complex organization like a university most comprehensively. Other features than organizational ones, however, will have influence on the decisions of the university, such as government, leadership style, administration and planning processes, some of which I will discuss in the following section.

Governance - management - administration

Governing and leadership in a university is complicated. The existence of a Vice-Chancellor position and several Deputy and/or Pro-Vice-Chancellors with extensive power on the paper does not automatically guarantee that the management will run smoothly. The Academic Senate at a university is a powerful body. Its role is to give advice to the Council in academic matters. But also the Council has significant faculty and student representation, and both the traditions and the structures of the organization invite political activities aimed at influencing decisions. If changing coalitions make it impossible to practice a consequent and aim-directed leadership, it is reasonable to presume that it is simply luck if the organization has a successful development, academically, financially, and/or organizationally. The administration of a university implies governance and administration (Sloper 1983). The government is concerned with policy and other major decisions and administration with the way that policy decisions are going to be implemented. Members of the organization at different levels will try to influence such processes, whether they have a formal right to this or not: “*..members of the university, who may not be formally associated with governance activities, attempt to influence them in order that their own values may be implemented*” (Sloper 1983 p 49). This supports the understanding of a university as a political organizational model.

The management of a university demands a strategic approach. The word strategy comes from a Greek word meaning “*to plan the destruction of one’s enemies through the effective use of resources.*” With this interesting meaning of the word in mind, I will refer to theories of strategic management and then more closely look at management of anarchy.

Burnes and James (1995) identify two basic situations within an organization:

- Convergent state, which means the organization is in a stable phase; and
- Divergent state, where there is no predictability and stability.

According to these theorists, the convergent state needs a transactional managerial style, which means the ability to optimize the performance within the existing theory. In the divergent state, a transformational style is more suited, which means a management for change and creation of new visions. Management of major change will typically take place in a divergent state. This typology may be compared to the common division of leadership

types into the entrepreneur and the administrator. The problem is, however, that the leadership often is the same in both situations. Very few leaders can perform both styles convincingly.

The features of an anarchic organization make leadership intervention difficult. Members of the organization will be very occupied with the leadership and accuse leaders of being too autocratic or too weak depending on the situation, and this may even be a description of the same leaders by different persons, or in different situations. This suggests that leadership is seen as important, but other organizational members wish to have a say. Leadership must be practiced both tactically and strategically, and leaders may try to gain influence by

- building power bases ("*By power bases I mean characteristics (abilities, resources etc.) of the participants involved, the groups to which they belong, or the general influence situation, which may contribute to influencing decisions*" (Enderud));
- influencing the processes of the joint decisions;
- influencing the structures of the joint decision process; and
- building strong external relationships.

In the following I will try to explain these concepts a little closer.

1. The existence of **power bases** for a leader is necessary to be able to influence the procedures of the joint decision making process, as well as the process itself. Enderud mentions four important power bases:

- Internal cohesion of the leadership team (within the top leadership team and, in addition, tight and confident connections to and cooperation with the leaders of, for example, the collegial assemblies).
- Cross-sectional contacts and information sources (there must exist ties to the parts that a loosely coupled system as a university consist of personal ties to departments, faculties and other units, in order to get and give information, for consultations and to build coalitions. The existence of coalitions of leaders at top and medium level, as well as student leaders, should be seen as crucial. This network building leads to mutual obligations and responsibilities).

- Time and attention (joint decisions are time-consuming, and to give priority to these will probably be rewarded: information gathering, discussions of proposals, secure support for them).
- Building up of trust (academics guard their time and academic freedom; when they trust decision makers they tend to “leave them alone” Trust is easily acquired when the resources are abundant, when the leaders seem neutral and are not connected to a “partisan group”. There is a contradiction between keeping a neutral image and the need to build coalitions. The solution is to bring in participants with different viewpoints and not least those that differ from the leader-teams viewpoint. Cohen and March (1974, from Enderud, 1980) calls this *unobtrusive management*, which means that the administrative leadership shows a low status profile, but a high profile in content, that is by being active, helpful and participating).

2. *Influencing the processes of the joint decisions* can also be obtained by unobtrusive management, for instance, through the following actions:

- Control the input in the joint decision processes (initiatives, problem definitions, motivate suitable participants).
- Influence professional and political decisions indirectly (by budgeting, administrative constraints).
- Influence by strategic use of time schedules, deadlines, and time pressures “*as a means of connecting problems, solutions and participants to each other*” p 247).
- Be willing and able to take the decisions the others have not wanted to take or forgot, and to keep the process going in case it slows down.

In addition, the leader can influence directly by different leadership styles in the different phases of the joint decisions:

1. Anarchic bull-session phase: initiator, act as catalyst, be a “garbage can collector”.
2. Phase of negotiations: negotiator, mediator.
3. Persuasion phase: persuader, “witch doctor”.
4. Administrative (bureaucratic) phase: administrator, bureaucrat.

The advantage of having a strong leadership coalition is obvious to obtain influence through these means, as it will be difficult for one person to perform all these roles, for time reasons and personal limitations.

3. Influencing the structures of the joint decision process: The structure concerns the set rules for “how, when, where and who”, during the decision process. This usually is not so well described in a university and the structure is usually adapted or interpreted according to the problem at hand. The way these structures are used, constitutes sources of influence:

- Adaptation can mean a satisfying attitude.
- Interpretation of structures is a stronger strategy. Definitions and participation patterns are subject to interpretation.

Different definitions

As decision areas are not clearly defined (finance, study affairs, research) and problems are overlapping, the definition of a decision in terms of decision area is often somewhat ambiguous. The definition of area will influence who become the actual participants. Classification of decisions as small/big, emergency/non-emergency, administrative/political is another cross road of influence. The administration has considerable power in deciding which problems should be treated on a collegial level. Further, as rules are seldom exhaustive, there are choices about which assembly makes the final decision, how the discussion is handled, and when to establish subcommittees. The formal structure can even be disregarded.

Different participation patterns

Even if members of an organization have the right to participate, it is not given that they will use this right and this, in fact, may delay the process. Procedures with regard to who are entitled to participate in informal activities may be possible to establish.

4. External role. According to Enderud, administrators may exercise an important role in “*protecting the organized anarchy from attacks by the outside world, be it politicians, the public opinion, money granting authorities, or other civil servants of the ministries*”. To some extent this may describe the role of the Australian Vice-Chancellor. As I see it, the Government has wished to strengthen administrative leadership within universities. As mentioned before, the economic reality of the universities may need this, but universities

are institutions with features that make administration very different to that in a production enterprise. This makes the administration of a university more difficult than in the past.

Decision making

Decision-making and policy making are very different. Decision-making implies choice of one course of action among several possible alternatives. Based on how such choices are made, Anderson identifies three main theories of decision making: the rational-comprehensive theory, the incremental theory and the mixed-scanning theory. Whichever approach is adopted, decisions are made on basis of certain values: political, organizational, personal, ideological or even policy values.

The policy process implies that decisions are made at several stages. Organizational theory has been occupied with analyzing the decision-making process and a number of models have been developed. The earliest models had a tendency to rely on the decision-maker's rational ability. Heinemann et al, however, points out that even David Hume in the 18th century denied the possibility of predicting cause-and-effect relationships in society. More recently, Karl Popper argued that no scientific conclusions at all are certain. One reason is that before data collection of certainly measurable phenomena, the researcher must have an idea of where to begin, which in itself is a limitation.

The nature of the problem, the setting and the formal and informal actors will have influence on which decisions are made. In addition, political considerations, culture, what is seen as useful for the organizations or groups, pressures to keep things as they are and other interests will influence on the decisions. Models of decision making aim to simplify this complex reality in order to analyze decision making in different organizations under different circumstances. Howlett and Ramesh (1995) refer to three commonly used models: the rational model, the incremental model and the garbage can model.

The rational model implies that the following features are in place during decision making:

1. A clear goal exists;
2. Alternatives to achieve the goal are known;
3. Consequences of each strategy to achieve the goal are outlined and understood; and

4. The best strategy to solve the problem will be selected.

The theory relies on the belief in a scientific and rational management approach. If there is relevant knowledge, the best decision is possible. The rational model of decision-making belongs to early organizational theories. Howlett and Ramesh argue that there are limitations in an organization to gather comprehensive background information and political and institutional constraints limit the choice of alternatives.

The incremental model takes into consideration actual behavior of decision-makers. They have interests of their own and there are often bargaining and compromise. This has the consequence that only few alternatives are considered, goals have to be weighed towards other values, sequences of trial and error are frequently part of the process, not all consequences are examined, and many participants in the decision process obstruct the overall analytical phase of the decision making (Lindblom in Howlett and Ramesh, p 141). Changes tend to be small, stepwise and reflect the possible, not the ideal. Problems are solved when they are at hand.

An incremental decision model can work in a stable environment. But it seems clear that incremental decision making both in the long and short run will result in an organization without guiding and clear goals. The model describes well some organizations at least in periods of their existence, or in parts of the organization. In a university bargaining and search for alternatives only until a satisfying solution is found can be a quite typical feature.

The garbage can model does not even leave limited rationality to the decision making process. March and Olsen (in Howlett and Ramesh, p 145) see decision making as totally unpredictable and with little connection to a striving to achieve goals. Goals and connections between instrument and goals are mostly not known to the decision-makers. Goals and means are defined along the process. The theory leaves the decision-makers with ad hoc and pragmatic decision making.

Realizing that all the models above in fact can be used in one organization, depending on the actual circumstances, Howlett and Ramesh suggest the following model to describe decision-making in a complex organization. In this model, the “policy subsystem” is the

environment where changes are supposed to take place. Policy subsystems “*consist of actors dealing with a public problem*” (p 51). The term is used in the description of the state policymaking process, but describes well the situation in a university organization where institutional policy and change are going to be developed and implemented. Persons and structures of this policy subsystem may represent varying degrees of resistance or support of changes. “Constraints” to changes can be time, the nature of the problem and the information available/used. Variables are reduced to two, resulting in the following model:

Severity of constraint	Complexity of the sub-system	
	High	Low
High	<i>Incremental adjustment</i>	<i>Satisfying</i>
Low	<i>Optimizing adjustment</i>	<i>Rational search</i>

Planning and Change

As an introduction to a discussion of theories of change in organization, I feel the urge to quote James G. March’s (March 1988) five footnotes to change, which underline the fact that change is an everyday, unpredictable but manageable fact in organizations:

“Footnote 1. Organizations are continually changing, routinely, easily and responsively, but change within them cannot ordinarily be arbitrarily controlled. Organizations rarely do exactly what they are told to do.

Footnote 2. Changes in organization depend on a few stable processes. Theories of change emphasize either the stability of the processes or the changes they produce, but serious understanding of organizations requires attention to both.

Footnote 3. Theories of change in organizations are primarily different way of describing theories of actions in organizations, not different theories. Most changes in organizations reflect simple responses to demographic, economic, social and political forces.

Footnote 4. Although organizational response to environmental events is broadly adaptive and mostly routine, the responses take place in a confusing world. As a result, prosaic processes sometimes have surprising outcomes.

Footnote 5. Adaptation to a changing environment involves an interplay of rationality and foolishness. Organizational foolishness is not maintained as a conscious strategy, but is embedded in such familiar organizational as slack, managerial incentives, symbolic action, ambiguity, and loose coupling.” (March p 169)

March reminds us that it is important to have in mind that change is something that happens to organizations all the time, that the possibility to handle it is limited because of ability, organizational will, and limited insight in the change forces. Organizations adapt to changing environments, and changes can to a certain degree be managed, “*particularly by stimulating or inhibiting predictable complications and anomalous dynamics*” (p 182). The small interventions that are possible can be timed so that the organizational processes amplifies the intervention.

The creation and maintenance of commitment is important for successful planning, both routine planning or planning of more extensive change. Use of project teams in planning, good and accepted routines for planning processes, and appointment of approving bodies are assumed to create goodwill for the decisions made and commitment to the final decisions. A top-down approach to decision-making is probably not the best way to introduce changes in a University. This assumption also goes for the governmental influence on the universities. More than for business enterprises leadership has to be strategic, wise, sensitive and organizationally accepted in addition to being strong. Accordingly, I assume that frequent change of leaders may have bad influence on the performance of the organization.

Involvement in planning processes may seem unnecessary and exhausting, and it is a widespread statement that no-one reads plans after all. But it has to be admitted that without planning, measurement of performance is not possible. The Australian Government has established firm routines for measurement of performance in universities, and continually makes efforts to improve these, as quality control and not least as a basis for funding of the universities. This gives the Government an effective tool for governing of the universities, and incitements to change.

Within the individual university this demands development of following-up plans at different levels, and establishment of reporting routines. But this does not mean that the

internal processes solely function as a reaction to the governmental needs for information. The process of developing both strategic plans and other plans within academic and administrative units may serve several purposes. First of all the involvement and commitment to the result are important for the responsibility for the achievement of results, and hence for the efficiency of the organization. Second, the planning process hopefully will stimulate to thinking about need for change, and the planning committee is also a direction for innovative ideas, which without the involvement of extensive number of staff at different levels would never be registered, simply because there was nobody to address. Third, the coherence of the plans at different levels based on the policy statements in the strategic plan, will make the organization draw in one direction. Of course, wide involvement in planning processes does not guarantee that the organization notices bad-functioning procedures, unwanted behavior or innovative ideas, and does something about this. The leadership must be able to listen, to examine the criticism/suggestions, to draw consequences and to do something to obtain change.

Planning can be a step towards change. Probably any organization introduces change continuously both through the planning processes and administrative routines. As long as the change does not affect the situation of individuals or groups, or change the goals they follow on their part too much, this will hardly be noticed. Comprehensive change needs more concern: “*..it is necessary to link levels of involvement to the types of change involved. The key is that the greater the effect on the individual, especially in terms of psychological constructs and values, the deeper the level of involvement required if successful behavior change is to be achieved*” (Burnes p 319). Several organizational theorists have been occupied with the change processes in organizations, and the management of those.

An overlying concern is organizational learning: is it possible, and what does it take to achieve it? The difference between the different approaches is to a certain degree based on the focus of change: concentration on the individual, on groups or on the organization as a whole:

- change as a consequence of individual learning.
- change as a consequence of group learning because “*people in organizations work in groups, (therefore) individual behavior must be seen, modified or changed in the light*

of groups' prevailing practices and norms." (Lewin in Burnes p 175). The norms, values and roles of the group and group members must be targeted for change.

- change as a consequence of organizational learning. This view on change belongs to the open systems school which sees the organization as a system of sub-systems connected and interacting with each other. Change in one sub-system will influence on the others. The sub-systems are the organizational goals and values sub-system, the technical subsystem (knowledge, technology, techniques), the psycho-social sub-system (culture), and the managerial sub-system.

Heller mentions the fact that that change happens all the time and the difference is how we respond to it. Within an organization, the key to creating a learning society is to develop change skills in the individual *"focusing on the individual is not a substitute for system change, it is the most effective strategy for accomplishing it"* (Fuller 1993 p 140). The development of the human resources is the key to adequate change and growth. Two kinds of individual learning are necessary, inner learning which is intrapersonal sense-making, and outer learning which describes the ability to relate and collaborate with others. Individual learning do not guarantee organizational learning, *"But without it no organizational learning occurs"* (Fuller p 140). First, when individuals and groups cope with tough problems and overcome them, growth occurs. The individual must be able to take initiatives, to build as many connections as is needed in varied environment, peoples' relationships must be involving and authentic both in work and non work relationships. Change is a consequence of many peoples' inner and outer learning: *"::organizations and nations don't change, only individuals change"* (Land and Jarman in Fuller 1993 p 143). The ability to achieve inner and outer learning is portable to new situations. The more people who have of it the greater is the possibility for building coalitions leading to a learning and change able environment.

Two distinctive schools of change have dominated the literature. One takes a planned approach, the other the emergent approach. There is a difference among theorists in the comprehension to what degree change can be planned or not.

Heller sees change as a consequence of a **planned** tree step process: data gathering (of current situation), analysis and diagnosis. A responsible group of institutional managers, people from the entity to be changed, and, very important, a change agent (a facilitator,

external or internal) carry out the change. If the three steps are thoroughly done, change will occur.

Other theorist noticed that learning tended to be short lived in that organizations fall back to old habits after a short devotion to the new order. There is an unfreezing and re-freezing phase, meaning that by some means the organization needs to get rid of old habits and patterns (unfreezing), then introduces the change, followed by actions to stabilize the new (re-freezing) (Lewin, 1958). Re-freezing can happen through change in organizational culture, norms, policies, and practices. Other theorists have introduced more steps in the planning and change process. To obtain a proper and successful change, for example, Bullock and Battons introduced a four-step phase, dividing clearly the planning and change phase: Exploration phase, planning phase, action phase (implementing), integration phase (consolidation). These theorists belong to the Action-Research school. The school is to a small degree concerned with the complexity and group dynamics in an organization that may alter the outcome of tidy plans. The school is an early one in the history of change theory, but it is not outdated, and may have its justification in an stable environments, in a simple one-purpose organization with strong and agreed culture and goals, and for small-scale change.

Newer theorists in the **emergent** school see change as fairly unpredictable, as “*a process that unfolds through the interplay of multiple variables (context, political processes and consultation) within and organization*” (Burnes, p 187). Features of uncertainty in the environment and internally in the organization must be acknowledged in the change process. The leadership can not be responsible for detecting and initiating all need for change. The responsibility for change must be devolved, which leads to a bottom up approach to change. The role of the leadership will be to educate the organizational members to be alert to need for change and make them able to initiate the change process. (Wilson, 1992, Pettigrew and Whipp, 1993). Characteristics of the following features may obstruct or promote successful change, and may therefore in themselves need to be changed:

- Organizational structure: the bottom-up approach will hardly be successful in a strict bureaucracy, but may have possibilities in a university with autonomous sub-units and even individuals

- Organizational culture: cultural features like widespread concern for the organizations survival (even if it is motivated by self interests) will be a pre-advantage for detecting and accepting change. To change culture is as mentioned under culture a very delicate matter, and may not be possible.
- Organizational learning. Organization members must learn to question status quo. To do this properly, they need to have a comprehensive knowledge of the organization, its current status and pressures from the environment. The leadership has the responsibility for this information flow, representing a learning for the individual, and making the organization a learning organization that can question the way things are done, and change them (Clarke, Benjamin and Nabey)
- Managerial behavior. The management of change in the emergent way requires leaders to be willing to risk a move into the unknown (Pugh 1993), willing to spread information, able to cope with political activity and resistance, encourage shared learning through teamwork and cooperation (Mayon-White 1993 and others)

It is not obvious that the one or other way to introduce and implement change is the correct one. The situation (external and internal), the change need (small or comprehensive), the time factor, the resources available, the attitudes and style of the actual leadership are all factors that influence the range of options when it comes to how to change. The research-action approach seems suitable for small-scale change in a stable environment, when there not too much internal political activity against change can be expected. The wide involvement of people, devolvement of responsibility for change, abundant information flow and open communication, the weight on organizational learning, suggesting a double-looped learning possibility (Morgan) are components in a change process and have potential to support attitudes to change that will secure organizational survival in a changing and competitive environment. Then the organization has to consider more fundamentally the change forces in the environment in serious connection to its own possibility for survival. Market liberalism creates one picture of the world, communism another.

Innovation and diversification

I have mentioned the importance of innovative attitudes in the planning process. Innovative attitudes are certainly a pre-advantage for a modern university. Another

important condition for success is the ability to take advantage of traditionally strong sides in the University, and use this as a basis for increased income. This has been used by several universities in establishing commercial research institutes within areas where they have special strengths. Osborne and Gaebler (1993) stress the need for a new entrepreneurial government if the public sector is going to develop and change in a way that can meet the growing demand on this sector and the lack of resources. To support fundamental change, a number of factors can be important, from an initiating crisis, a strong and continuing leadership, a healthy civic infrastructure in the changing community, shared visions and goals but not necessarily consensus, trust between participants and outside resources (Osborne and Gaebler p 325-326). The change in an educational system to greater competition and less public funding in country after country is seen as result of such change factors. In Australia such entrepreneurial features have been adopted where the focus for budgeting has shifted from inputs used to outputs achieved. Reforms have reduced the funding of the universities in the nineties, but have given universities more freedom in how to use the resources and more income sources. This is what calls for a new kind of government, a more entrepreneurial one, according to Osborne et al.

The funding policy of the Australian Government has diversification as a goal. The background for this policy may be complicated and certainly has ideological undertones, but still it has been the policy of both Labor and conservative governments. The consequences are also several, and one of them is the extensive and competitive recruitment of overseas full-fee paying students. In light of the Asian crisis, it becomes clear that this income may be reduced in the future. Innovative approaches can then be to turn totally to other sources of income, or to find ways of attracting overseas students anyway.

The federal authorities encourage especially financial diversification. Other diversification is also important for the success of a university. Students demand changes following ideological changes and other changes in the environment, for example, the employment situation. For some years, the MBA degree was the big thing, while in the next few years it may be teacher education. The diversification academically is important, it is dangerous to get too specialized. Diversification in teaching mode is another possibility, and some universities have strong traditions for teaching in the external mode. The University of New England was the first and have strong traditions, the University of Southern

Queensland is a more recent, but with strong success, and with innovative attitudes to this delivery mode. In this connection a strong informatics environment is important since a modern university is dependent on being in the first line when it comes to data equipment and communications, informatics knowledge and an administration and academics that can make full use of the technology.. Diversification of curriculum is strongly connected both to extensive internationalization and to different delivery mode. Both are expected to have consequences for the form and content of the curricula. The following areas listed is assumed to be central objects for diversification within an institution for higher education:

- Teaching: mode, courses, level
- Research: basic, applied, commercial
- Funding: fees, income from industry by research or other cooperation, international organizations, alumni
- Academic profile: broad and general, specialized, graduate, undergraduate

Concluding Comments

In this chapter I have reviewed literature that may serve as explanations for my findings in this study. Knowledge about the policy process is important to explain why internationalization of higher education suddenly came on the agenda in the mid eighties, and why the actual policy following some discussion and reviews changed so abruptly, without much political disagreement. The exploration of this background is matter for chapter four in this thesis. As mentioned in the introduction to this chapter, implementation through the universities as the implementing bodies is the main focus for this thesis. I have considered theory of policy implementation, which emphasizes the importance of the implementing body for successful implementation. Theories about organizational features are important for the implementation process. Central in my image of a successful organization is the style and role of government and leadership, which is supposed to be more difficult in a university than in say a factory. While many organizational features such as organizational structure, planning processes, history and culture, are important leadership is the essential brick. The ability to build a strong leadership team is in my view the essential part of being a strong and successful university leader, and this ability may make both government and administration easier. Harald Enderud's theory on leadership and decision making in an anarchy seems to have many strengths and I tend to accept his

theory of universities as organized anarchies. This model takes into consideration the special tendency in universities where nearly every member expects to be heard in matters of some importance, and have access for being heard. Leaders need to take this into consideration, but this calls for wise leaders. When this is said, I do not oversee the possibility that good timing and even luck may alter every theory about “the best way”. Because every change in a university does not wake the interest of all members, other organizational models may fit as well in certain situations as the organized anarchy. Hence I have considered a variety of organizational theories that that may throw some light upon the analysis of data.

Chapter 4

HIGHER EDUCATION AND INTERNATIONALIZATION IN AUSTRALIA

Introduction

This chapter deals with the history of higher education in Australia, as a background for and with a focus on the history of the development of internationalization. The extent of internationalization at different times, the actual internationalization activities and the varying rationales for internationalization are highlighted. The main weight is put on the policy changes in the eighties, with the major change from “aid to trade”. The consequences of these changes especially in the nineties are described by referring to various statistics and by listing the broad range of activities comprising the term “internationalization of higher education”. Some bodies established to facilitate the implementation of the federal policies for internationalization of higher education are described, as well as bodies designed to secure the quality of this service export. On this background, I try to explain the policy changes in the eighties and nineties in a broad historical context and the facilitation of the implementation of these policies made possible by Federal Government and other national organizations.

Before WORLD WAR II

Australia’s first university, the University of Sydney, was founded in 1851, at a time when Australia still was a colony under the United Kingdom. By 1890 there were universities also in Melbourne, Adelaide and Hobart. The goal was one university in the main city in every state. At the beginning of World War II, there were six universities established, with a total of 14,000 enrolments. As the greater part of the population of Australia especially

at that time had British origins, it is no wonder that the new universities were established in the academic traditions of the European countries. The charters of these Universities had as an aim that the quality of their teaching and research should be comparable to universities in other countries, and that their degrees should be recognized internationally. However, Australia is geographically very distant from the countries that it feels mostly related to, culturally and academically. It is also sparsely populated and with young academic traditions. The first Ph.D. ever awarded from an Australian university was in 1947. Until World War II, internationalization of higher education in Australia therefore meant that Australian scholars took their higher degree(s) in UK or USA. Likewise, periods of professional development (study leave) through academic careers were commonly spent in western countries, especially in England and North America, as they still are. Very few scholars came the other way. The regular visits overseas were one way to ensure that the Australian universities and their academic staff developed the academic level expected from researchers in the west, as a kind of quality insurance. The recruitment to academic positions in Australian institutions, especially for positions at higher level, has always been very open to academics from other countries, who compete on an equal basis with Australian citizens. This has been an outgoing source of renewal for the Australian academia through the years.

Academic interaction with Asian countries on the other side was very limited. From 1904, however, there existed exchange agreements between Australia and certain Asian countries, which made it possible for overseas students to undertake courses in Australia. Overseas students who had been accepted at an Australian university would be granted entry to the country if they were full-time students and proved beforehand that they had enough funding for their living expenses and tuition fees. Education in Australia was probably at that time, as it still is, a first step towards immigration for many young people from Asian countries. The student numbers never exceeded 500 annually until World War II. The low numbers were as intended. Australian authorities at that time stimulated extensive immigration. Competent workers were badly needed on this sparsely populated continent, but preferably those from western countries.

End of World War II to the Eighties

After the Second World War, colonialism by European nations definitely had come to an end, resulting in a great number of independent developing countries. The trade policies at the same time became less protectionistic worldwide and world trade accelerated. The concern for the welfare of the people and for the economic development in the earlier colonies came on the international agenda. As a result of this concern, the Colombo-plan was launched in 1951. This plan was a result of a meeting of Commonwealth Foreign ministers in January 1950 in Colombo, Sri Lanka. The full name was The Colombo Plan for Cooperative Development in South and Southeast Asia. Seven Commonwealth countries supported the plan, increasing to 26 countries 1984, both Commonwealth and Non-Commonwealth. The countries behind the Colombo Plan may well have had their own economic interests for this joint effort to further the economic situation in the earlier colonies. After all a certain increase in those countries' GNP would improve their attractiveness as trade partners and hopefully reduce their need for aid. One central aim was certainly to reduce the danger of international conflicts in the future. As a result of the Colombo-plan, the Australian Government for the first time agreed to sponsor study places for overseas students in Australia. Funds for this purpose were allocated to encourage the recruitment of overseas students to Australia. The formal authority to administer this support was the Australian Aid program, through its education and training unit.

Both sponsored and fee-paying students were admitted. The latter - often called "private overseas students" - paid fees in line with Australian students and the entry requirements were equal. The total numbers of overseas students were strictly controlled by the immigration authorities, the official policy still being the "White Australia". From 1950 to 1965 the numbers of overseas students increased from about 1000 to 5000 (Williams 1989, p 11). In these years, additional prerequisites for the renewal of student visas were introduced: those who were granted renewed student visas had to prove that they were serious students demonstrating satisfactory progress. In 1966 the Government clearly

stated that the enrolment of overseas (read Asian) students at Australian universities was to be considered as a contribution to the economic development of the sending country through subsidized education of their citizens. Another aim was to give these students knowledge about and a favorable impression of Australia. Changed entry requirements followed this statement, as applicants from the poorest countries now had priority, especially if the country was seen as an potential future trade partner. However, the official governmental statements as well as the content of the changing policies demonstrate that the aid perspective was the dominant force to internationalize higher education or, more correctly, to accept students from the Asian continent, which was the main scope of internationalization at that time.

Already in 1957 the Prime Minister, Robert Menzies, had established a committee, the Murray committee, to examine how the universities could best support the social and economic development in Australia. One result was that the funding of universities no longer was solely a state responsibility; the Menzies' Government decided to grant as much to the universities as the State governments did. Another consequence of the report was establishment of the Australian Universities' Commission (AUC) in 1959. The funding of the universities was administered and coordinated by the AUC. In this role the AUC had a major influence on the development of each of the institutions for higher education. This commission was especially concerned with the quality of the teaching and research, and its funding policy aimed to stimulate its goals and achieve high performance.

Prime Minister Robert Menzies established a new committee in 1961, the Martin-Committee, to look at the future of higher education in Australia. There was a certain anxiety that Australian industry and trade would lose in the competition with other countries due to lack of competent work force: "*economic development in Australia is dependent upon a high and advancing level of education*" (Martin report, quoted from Castle 1991, p. 6). The move to mass education in most western countries speeded up in the 1970s and governments allocated substantial new resources to their education systems. In accordance with the economic theorist, Keynes, governments all over the world used

public resources to stimulate industrial and technological development, and development of important infrastructure like education. This was supposed to stimulate the economies in the after-war period, when so many countries were facing hard economic times as a consequence of the war expenditures and destruction. The need for rapid economic recovery had also to do with the competition between the capitalistic and communistic parts of the world.

The Martin Committee laid through its recommendations the foundation for mass education in Australia, providing the legitimization and the framework for tertiary education. A high degree of access at acceptable costs was made possible by the establishment of a new kind of institutions for higher education, the Colleges of Advanced Education (CAEs), which were designed to offer vocational courses of direct relevance to employers. Most of the new colleges already existed as tertiary educational institutions, and were by this means upgraded to offer higher education. The CAEs were funded primarily for teaching and training and with little funding for research. They enrolled 135,000 students by 1976. The creation of this new layer of institutions introduced the binary system in Australia's higher education system. On the other hand, the Martin report also recommended an increase in the number of universities from 10 to 16. The third pillar of the tertiary education system, the institutions for Technical and Further Education (TAFE), still offered non-degree level vocational education. Separate federal bodies had the responsibility for each of the three types of tertiary education. First in 1988, the Department of Employment, Education and Training was formed and took over the overall federal responsibility, the unified national system (UNS) was then established and the binary system was abolished in Australian higher education.

In 1973, the new Labor government under Prime Minister Gough Whitlam decided that the Commonwealth Government should take over full funding responsibility for all higher education from the State governments. The main aim was to secure that enough young people after high school would choose to take higher education, to their own and the nation's benefit. Tuition fees were therefore abolished for Australian students from 1974,

while prior to this date students had paid about 20% of the costs of a study place. At the same time the Government set an upper limit for enrollment of private overseas students of 10,000 annually to ensure that the enrollment of overseas students did not reduce access to higher education for domestic students. Criteria for enrollment of overseas students were from then on that the courses they applied for were not available in their own countries and applicants were required to prove that their intention was to study and not to migrate. However, it was no longer required that the sending country was in special need of economic development. It was decided also that overseas students should pay no fees and charges. About the same time, the "White Australia" policy officially was abolished.

Abolition of fees for international students coincided in time with changes in immigration policy. It is tempting to assume that there was consciousness that the limited number of overseas student that were accepted and paid for by the Australian government constituted a group of very skilled graduates who might be considered for immigration, and so contribute to increasing the competence of the workforce in high level skills. It is not without reason that developing countries for many years have been worried about the brain drain that follows studies overseas for their young.

Abolition of tuition fees for both Australian and overseas students led to an enormous increase in the costs of higher education in the following years. Increased demand for higher education was an international phenomenon. Having recovered from the rebuilding following the Second World War, it appeared that now western countries were prepared for a new economic growth period with increased international competition. The mobilization of the nations' brains was now considered as a crucial competitive factor. The move to mass higher education was made possible by the good economic times in the industrialized countries in the 1970s, with many parents choosing higher education for their children instead of an early start in the unskilled labor force, like they themselves mostly had as the only option.

One additional consequence of the increased federal investment in higher education in Australia was that the Federal Government increased its influence over the system of higher education, even though the universities still were under state legislation. This resulted in a transfer of power from institutional and state level to federal level. The increased federal influence facilitated later policy changes. Firmer coordination including expansion or reduction in student numbers could be effectively managed by the Federal Government through its funding tools. From 1974 this power was used to expand the system for higher education and necessary resources to encourage this effort were allocated. From 1977 and in the following 10 years during economic decline, it worked the other way. The focus was now on how to get more out of the money invested in higher education. The efficiency and production of higher education came on to the policy agenda. From 1977 to 1987, students numbers increased by 32% (although they decreased from 1977 to 1982), but the increase in real operating funds was only 11%. One money-saving measure was the forced amalgamations of more than 30 named CAEs at the beginning of the 1980s, where the options were amalgamation or extinction. Fresh money came through the new policies on internationalization of higher education in the 80s, resulting in the charging of full fees from overseas students, a process described in the following paragraphs.

The Eighties

Introduction of fees for international students

Even if immigration following the recruitment of overseas students at Australian institutions for higher education was intended and seen as positive by some politicians, others did not like it. At the end of the seventies, there was disagreement at federal political level about the existing policy on international students. According to the Department of Immigration and Ethnic Affairs "*the current policy was not achieving its objectives and was being increasingly abused by students to gain "back-door" migrant entry*" (quoted from Williams p.11). The Department promoted the idea of full fees for this group of students. The Department of Foreign Affairs, on the other side, defended the practice of subsidizing study places on the basis of the need of some countries for aid, the importance of cultural

exchange and the development of positive attitudes towards Australia among overseas graduates. However, from October 1980 the UK, which was a main competitor in recruiting students from Asia, began to charge fees covering the full average costs of a study place from international students. In Australia, the introduction of a visa fee in 1981 represented a major shift in the Australian policy towards overseas students.

Reviewing the development of the internationalization of higher education in 1979, but still recognizing the value for Australia by receiving these students, the Government introduced important changes from 1980. The “visa fee”, which was called the Overseas students Charge (OSC), was introduced for private overseas students to regain some of the increasing costs involved. The upper limit of 10,000 overseas students was removed. Unofficial country quotas were set up, reflecting the sending country’s estimated importance to Australia in terms of foreign relations. The availability of the actual course in the applicant’s homeland was to be considered before admission. The admission process was at this stage centralized and applications had to be directed to the Overseas Student Office in DEET. The administration of quotas and enforcing other limitation were thus facilitated. It was at this stage decided that overseas students after having completed studies in Australia had to spend two years in their home country before they eventually could be allowed to lodge an immigration application to Australia. In 1981 it was decided that the OSC for students from Papua New Guinea and the South Pacific States should be paid by aid-funds, reflecting Australia’s special responsibilities for these regions.

The income from the OSC for private overseas students represented in 1982 a federal income of 10% of the full cost of a university place, increasing to 55% in 1988. This means that initially 90%, decreasing to 45%, of the cost of each study place for private overseas students were granted as “hidden” aid by the Australian Government in addition to the still more generous financing of aid-funded students.

Jackson and Goldring

The next change of policy came in 1985 following the Report by the Committee to Review the Australian Overseas Aid Program (the Jackson Report) and the report by the

Committee of Review of Private Overseas Student Policy (the Goldring Report), both appearing in 1984. The first marketed the view that study opportunities for overseas students in Australia should be exploited as an export commodity, while the latter rejected this market-based attitude.

More specifically, the Jackson Committee recommended:

- 1. The hidden subsidy to developing country students' education should be made explicit and counted as official development assistance.*
- 2. A liberal policy toward accepting foreign students should be adopted taking academic performance, cost-effectiveness and available places into consideration. The overseas student charge should gradually be increased to full cost levels. The fees levied should accrue to the institutions that students attend in order to build up appropriate courses for such students, increase the number of places available without cost to the taxpayer, and encourage the development of education as an "export" sector." (The Jackson Report. Executive summary, p 9)*

The Jackson Committee admitted that education of overseas students in Australia had additional value because of future relations with alumni and their home countries, and as aid to those countries and individuals in need of it. It stressed that all overseas students were subsidized in one way or the other. Partly because of bureaucratic university and immigration procedures, and partly for academics reasons, Australia missed out some of the best possible students. The Committee argued that these barriers should be removed to make access easier and the courses more attractive, and finally to make education an important export earner. The Committee recommended that four planned efforts should be accomplished during the next five years:

1. The hidden subsidy to overseas student should be made explicit.
2. Enrolment of overseas student with fees gradually increasing to full costs should be adopted, as long as there were study places available.
3. Grants through the existing government-to-government scheme should continue at the same level. A new generous merit scholarships scheme and a scholarship scheme to assist disadvantaged groups should be introduced.
4. Scholarships to students from developing countries should be directed to courses that were development oriented, and in accordance with the need of the actual country.

The Goldring Committee recommended:

The new objectives (of the overseas students program) should be expressed in terms of the following:

- *to contribute to the social and economic development of people and institutions in developing countries, and especially those in the Asian and Pacific region, by granting them access to Australia's educational and training resources;*
- *to increase cultural exchange and to improve the quality of Australia's educational and training resources; and*
- *to serve Australia's interest by improving communication with and understanding of Australia.” (Goldring, p. 54)*

The title of the Goldring report, “*Mutual Advantage*”, reflects the policy goal perfectly. The report made it clear that the gain Australia had from this contact with overseas countries justified the expenditures and could be expected to produce various benefits. However, the Committee commented that this form of aid should not be hidden any more but rather should be made statistically visible as acknowledged aid: “*It is reasonable that the cost of educating overseas students continue to be subsidized to some extent, given the many benefits which the program brings to this country. In future, however, this subsidy should be a publicly identified and acknowledged contribution by Australia*” (Goldring 1994). The Committee calculated the subsidies as being A\$70 million in 1993. Gains on the other side were calculated to be between A\$10 and A\$25 million. It recommended that the OSC should make up for 30-40% of the educational costs.

The Jackson Report represented the winning view and in 1985 the Australian Government introduced the new Overseas Student Policy. The arrangements for sponsored overseas students continued, as well as the targeted scholarships, granted by the Australian Government or other institutions. Both groups were subject to quotas. The OSC for the subsidized overseas students was raised. In addition, the new policy allowed unlimited enrollment of overseas students provided such students met the entry requirements and paid the real cost of the study place. The institutions were encouraged to use this new source of income and were entitled to keep most of the fees. To prevent institutions

neglecting their other responsibilities in their quest for income, it was stressed that no international student should be accepted if this implied that an Australian or sponsored student was displaced: *“The Government policy on full-fee students states that institutions might enroll full-fee overseas students in existing courses where places could not be filled by qualified Australian applicants or the quota of subsidized overseas students and conduct extra courses or increase enrollments in existing courses for full-fee overseas students where capacity exists or could be developed”* (quoted from Williams p 13).

The “hidden aid” had by this come to an end. The change from “aid to trade” has been much criticized and there may be good reasons for this criticism. But even if the earlier arrangements seemed more aid motivated, there had never been any control that the individual private overseas students belonged to groups that normally would be considered as being in need of aid. According to Williams (p 13), about 70% of private overseas students came from Malaysia, Hong Kong, Singapore, Europe, and North America, countries not commonly recognized as developing countries. Moreover, probably most overseas students came from well-off families in those countries. The scholarships introduced in the new policy provided more effective targeting of educational aid and the numbers of receivers in fact increased. (1983: 3.500; 1985: 6000. Back et al 1996 p 7). The result of the changes in 1985 was an increase in the enrollment of overseas students. The numbers accelerated especially after 1989, following further policy changes on internationalization of higher education.

The 1985 policy led to criticism also from overseas officials and even governments, especially those in the Southeast Asia and from the higher education institutions themselves. Both the trade perspectives on education, occurring immigration problems, the increase of student enrollment in non-rewarding courses (especially English language courses), and dubious recruitment methods led to this criticism. State and Federal Governments followed up by regulating the activity through legislation. Immigration procedures became less restrictive. The institutions for higher education and the Government stood behind the establishment of the Australian Education Centres, a

network managed by IDP Education Australia (IDP)¹. A new *Policy on the Export of Education Services* intended to facilitate the recruitment of overseas fee-paying students and the improvement of recruitment procedures. A set of guidelines to help with the practical implementation of the new policy seemed to be necessary. The Australian Vice-Chancellors Committee (AVCC) introduced a *Code of Ethical Practice*. DEET introduced *Guidelines for Full-fee Overseas Students on Courses Provided by Commonwealth Funded Higher Education Institutions*, which gave detailed instructions, for example, how to calculate the amount charged for a course.

The eighties were a period of harsher economic conditions than in the decade before. The costs of higher education increased, along with the student numbers. The Jackson Committee's terms of reference asked for advice on how to improve Australia's export earnings. The policy to recruit full-fee-paying overseas students was one answer. From 1987 to 1988 the numbers of full-fee paying overseas students increased from 622 to 2,641, whereas the numbers of subsidized overseas students decreased from 14,444 to 13,084. The total increase in international student numbers was a little more than 600 in 1988. From 1980 to 1988, international student numbers increased from 7,383 to 15,725.

The Dawkins Plan

In 1988 a White Paper on Higher Education: "*Higher Education. A policy Statement*" (Dawkins 1987) was introduced. The new policy encouraged higher education institutions to undertake more offensive marketing efforts towards potential overseas customers. This policy, which became active from 1989, would eventually end all subsidies to international students and no new subsidized students were enrolled after 1990. There would from now on be no upper limit on overseas student numbers. The governmental per-student-capita funding of the Universities was to be based solely on the numbers of Australian students.

¹ The full name is the International Development Program of Australian Universities Ltd. This organization is described at the end of this chapter.

Many universities had recruited a lot of subsidized students before 1990. The lost income that the abolition of government subsidies represented might be replaced by recruitment of more full-fee paying overseas students. A targeted program of scholarships would focus on the aid perspective, as another measure to make up for the loss of governmental funding in institutions that had had a great number of subsidized overseas students. Sponsorships might be granted by different Governmental Scholarship Schemes, by other governments, a few by the institutions for higher institution themselves, or by different multinational organizations like the World Bank. Whoever the sponsor was, the grant had to cover the full costs of fees for the benefiting student.

These changes led to the possibility for Australian educational institutions to compete freely for international students on the world market. The new policy revealed the need for new regulatory procedures, and several were developed, concerning students services, educational services on-shore and off-shore, and ethical matters related to the recruitment procedures and educational offers. A set of guidelines concerning fees was issued by the Federal Government. It was emphasized that fees should cover the real costs for an average study place, including tuition fees, equipment, capital investments and services, not only the marginal cost for the institution by taking another student.

Other regulatory procedures were established including:

- Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act in 1991. This is Commonwealth system for registration and accreditation of courses offered to international students;
- Code of Practice in the Provision of International Education and Training Services, by the MCEETYA (earlier Australian Education Council);
- The Code of Ethical Practice in the Offshore Provision of Education and Education Services by Australian Higher Education Institutions by AVCC.

The latter was an acknowledgment of the fact that many Australian universities increasingly had been involved in establishing offshore campuses, participated in twinning

arrangements with overseas institutions and offering courses by distance education to overseas students.

Introduction of the UNS

The policy changes in 1989 had consequences far exceeding the perspective of internationalization. Until 1989 the Australian system for higher education consisted of two types of institutions, the traditional universities and the Colleges of Advanced Education, both of which were funded on different bases. This *binary system* was now to be abolished. A major reorganization took place, including “voluntary” amalgamations of CAEs into new universities or of CAEs and established universities. Amalgamations were facilitated by the fact that future funding of universities would be closely related with the size of institutions measured in full-time student equivalents (EFTSU), with more attractive funding levels for larger institutions. The then 47 CAEs and the 19 universities were reduced to 35² publicly funded universities. The new system was called the “*Unified National System*” (UNS).

A triennial planning process was re-introduced. As part of the planning, new institutions had to identify their own roles through a “*profile process*” of negotiation with the Government. The main ingredients in a profile are the mix of undergraduate and postgraduate offerings, the mix of disciplines and the amount and focus of research. The planning procedure, the funding principles and other factors increased the responsibility of universities for their own future development. This increased demands on University leadership with consequences for the organizational structure and the management of the institutions, as well as for governing and planning processes.

The demand for study places continued to increase at the end of the eighties. The number of enrollments in higher education were expected to expand significantly as a result of the general strategies outlined in the White Paper, leading to increased costs of higher

² Now 36, see chapter five. In addition, there are two private universities, one was established in 1987, the other in 1994.

education. In spite of that, public expenditures on higher education were planned to stabilize at about 1 per cent of the GNP till the end of 1991. Funding for research was to be increased, but also more targeted. Other new income included increased enrolments of international students and the introduction of fees for domestic students. It seems reasonable to assume that the introduction of fees for domestic students, however modest, may have led to increased acceptance of full fees for overseas students. Already from 1987, all Australian students were actually charged an amount of \$250 each year, called the Higher Education Administration Charge. After this fee had been introduced, a Committee on Higher Education Funding was established (the Wran Committee), which concluded that the users of higher education should contribute about 20% of the average costs of tuition; at that time estimated to be about \$1800. All students were charged for the same amount annually from 1988, though a three-tier system based on the cost of the course had been suggested. This arrangement was called the Higher Education Contribution Scheme (HECS). Students could pay their HECS in advance and receive a 15% discount or they could pay their debts through the tax system when they joined the work force. Repayment would commence as soon as a graduate's income reached a level equal to the average national salary. Some voices insisted that introduction of HECS would lead to a decrease in student numbers, but demand for higher education has as a whole increased steadily in the 1990s. In 1996 the Government announced adoption of a three-tier HECS.

For the internationalization of higher education, the Dawkins plan did not represent a major shift compared to the 1985 policy change. The opportunity of universities to make increased income by selling higher education to overseas students was strengthened and encouraged, and measures were taken to ensure that overseas student customers would receive a quality product from their first approach. The responsibility for quality was to be shared between the federal level, the state level and the institutional level.

The Nineties

Early in the 1990s, the commercial nature of the Australian internationalization policy and practice was again criticized. It was asserted that students' needs were not adequately

taken care of and that other benefits than the commercial ones from internationalization of education were not properly appreciated. In 1992 the Government again reviewed aspects of its policy on international education. The Minister of Education, Kim Beazley, announced a new focus on internationalization of education. He distanced himself from the earlier focus on education as trade, recognizing other values including interpersonal and country-level relations and the benefits for the education system itself : *“The Australian Government recognizes that international education is an increasingly important part of Australia’s international relations. It uniquely spans the cultural, economic and interpersonal dimensions of international relations. It assists cultural understanding for all parties involved. It enriches Australia’s education and training systems and the wider Australian society by encouraging a more international outlook”*. (Beazley 1992, quoted from Back et al. 1996 p 10).

Beazley’s focus was part of a policy shift from a trade perspective to educational values and quality, to an increased focus on the Asia and Pacific region, and to the inclusion of research projects, research cooperation, and staff exchange in the internationalization activities. This statement was followed up by the Higher Education Council of the National Board of Employment, Education and Training (NBEET) in 1992 with the following Statement of Purpose:

The Principal Purposes of Australian universities are:

....

- *the application of knowledge and discoveries to the betterment of communities in Australia and overseas;*
- *Australian universities, whatever their location, and whatever their selected profile, must enable their graduates to operate anywhere and in any sphere at a level of “professionalism” consistent with the best international practice, and in ways that embody the highest ethical standards* (Back et al. 1996 p 10).

The Statement of Purpose suggests a change in the content of the phrase “internationalization”. Now the focus was the expected qualities of the graduates wherever their origins and the applicability of their knowledge. As the main focus for Australian

internationalization of higher education is now the Asia/Pacific region, this statement further suggests extended cooperation within this region at university level, which should involve research cooperation, student and staff exchange, bilateral agreements, development in the offer of higher education/training overseas, in addition to the traditional recruitment to higher education in Australia.

The emphasis on quality stated in the different policy papers was given substance when the Government in December 1992 established the *Committee of Quality Assurance in Higher Education* (CQAHE). The Committee was intended to assist the Government in its efforts to improve the quality of Australian higher education. Each institution was invited to submit portfolios that described its quality assurance processes within their agreed activities, and how these processes related to stated missions and goals. The first report was released in 1994 and, even though international activities were not especially mentioned in the guidelines, almost every institution mentioned their student support activities, showing that different measures were taken to improve the quality of the study situation for international students. These measures could be directed towards the international students themselves, such as language support and accommodation help, and towards staff working with international students, such as staff development courses in cross-cultural communication.

A Coalition Government followed the Labor Government in 1996. The new Minister for Employment, Education and Training, Amanda Vanstone, did not express any new line with regard to international education in her Budget speech of August 1996, but emphasized the importance of international education: "*Budget measures announced tonight focused on international education initiatives designed to improve access to international education, training and research opportunities for Australians, promote the export of Australian Education and training services and enhance Australia's international standing*" (Back et al. 1996 p 13). The budget itself did not contradict this statement.

According to the governmental body for promotion of Australian education and training services, AEI, the importance of the education and training industry is recognized by the Australian Government for how it “...*contributes to our society and culture, how it helps the Australian contribution to global society and culture, and how it contributes to Australia’s wealth*” (AEI 1998 p 9). This is the more important as other nations have experienced the same and react to it. When it comes to Australia’s relations to the Asia Pacific region, education and training cooperation is seen as being especially important: “*Australia is making a major contribution to the region’s political, economic and social stability as the Asia-Pacific experiences substantial challenges...Any investment made now not only helps overcome these challenges, but has the potential to repay itself when the region returns to the growth rates of just a short time ago*” (AEI 1998 p 9). In this quotation lies a suggestion of the seriousness of **not** investing in this activity, which has a scope far beyond the danger of losing income for Australian educational institutions.

Cooperation between the institutions and the Government and between different governmental bodies can be crucial for success. According to the Executive Director of the AVCC, Stuart Hamilton, the foundations for internationalization are:

- *a strong commitment from the federal government; a strong commitment by the education institutions and each of the education sectors;*
- *a strong and broadly based partnership between the government and the education sectors on international matters;*
- *a broadly based promotion strategy which sets education within a cultural and scientific context; and*
- *a cross-sectoral approach in several key areas* (Hamilton 1998 p 5).

The government commitment is necessary because of the complexity of internationalization and also because of the importance of success. The Government has established several bodies to support the institutions in their internationalization activities (see end of chapter). The Government’s commitment is also present through the partnership between the government and educational sectors in Australia. Joint efforts at different levels are hoped to create synergy effects.

It must be admitted that it seems that the commitment of the institutions is directly connected to their hope of income from international student fees, even if other positive spin-offs are appreciated. The universities invest annually in promotion, internal organization of international activity and establishment of new senior positions. While in 1987 there were no senior positions related to international activity in Australian universities, there were 23 positions by 1997.

Promotion of education in a broad socio-economic setting calls for the involvement of and cooperation between several governmental departments. One positive initiative mentioned as an example by the AVCC (Hamilton 1998) is the establishment of the Australian International Cultural Council by the Minister for foreign Affairs and Trade. Cross-sectoral approaches, for example, include joint promotion efforts by ELICOS and institutions for higher education.

The Australian multi-cultural environment of the 1990s is conducive to the internationalization process in universities. The origins of the Australian population are 75% British origin, 20% European origin, 4.5% Asian. (Back et al. 1996 p 5) In 1995, 20% of students came from non-English-speaking background.

Economic Aspects

In 1997, international students studying in Australia contributed \$3.2 billion to the Australian economy. It is estimated that this produced tens of thousands of jobs (AEI 1998). 85% of the international students came from Asia; almost 10% of students enrolled at Australian universities were international.

Governmental funding of the Australian universities has decreased during recent years. While 90.1 % of the total university operating revenue were Federal and State government grants in 1981, this was only 58.6 % in 1995. Thus additional income has to be attracted from other sources of income while serious efforts have been required in rationalization and

cost control. The universities now have to do more with less and still compete on quality. Universities now take strategic and other planning more seriously and actively search for other income sources. Commercial companies are increasingly organized as part of university activities. Charging of tuition fees for domestic postgraduate students and recruitment of full-fee-paying international student are other sources of income. Internationalization is also seen as involving building of strategic international business alliances within education, often in twinning arrangements or off-shore campuses.

The Asian crisis may lead to reduced interest among Asian students for studies in Australia. IDP Education Australia has plans to replace the possible eventual loss of Asian students with European students. The student flow from Europe is substantial; in fact about 70.000 European students studied in the US in 1996, which comprises 15% of total student enrolments in US. IDP expects it should be possible for Australia to attract part of this market. The IDP Chief Executive, Dr. Denis Bligh, has reported that his Board of Directors agrees that the next priority target for IDP is Europe (IDP 1998). Promotional offices in Europe are planned and diplomatic missions and trade representatives are being used for distribution of material as well. Other targets are Japan and Latin America.

Internationalization in the Australian Universities

In the following paragraphs I elaborate on the Back and Davis report for the OECD about internationalization in Australia (de Wit 1995).

The Australian universities have followed up the changing federal policies on internationalization of higher education. Commitment to internationalization of higher education is now mentioned in the mission statement of every Australian university; 22 of them also mention quality assurance measures for this activity (de Wit p129). The universities' international focus is global or Asian (de Wit p121). The average university income from international students is currently over 7% of total income. Faculties normally received about half of the fees. Most universities have models to determine the

cost of international student places. The institutions have targets for international student numbers to be between 10% and 2 % of total enrollment by the year 2000. However some are much more active than others. Monash University, Royal Melbourne Institute of Technology (RMIT), the University of New South Wales and Curtin University of Technology in Western Australia have been especially successful. Typical in these universities are diversified international activities, including a variety of course offerings, encompassing research and research links, the establishment of centres for research and international activities, and recognition of the need for extra services to support international students.

The Code of Ethical Practice requires the universities to establish an institutional base for international activity. This can take several forms, including committees for internationalization, special support for international students and establishment of an international office. Only four universities had not established committees for the development of internationalization strategies. In 18 universities, the committee was chaired by a Pro Vice-Chancellor while in six cases the chair was the Vice-Chancellor. The main functions of international committees were in planning and organizing new initiatives. 31 universities answered that their internationalization policy and strategies were decided centrally, while seven answered that these were handled both centrally and devolved. The information flow between different organizational layers was regarded to be satisfactory.

In 1995 all universities had an international office to support overseas students (de Wit p 130). The degree of centralization of activities in the international office differed. This issue has been discussed and questioned over the years. The functions of the international office may include some or all of the following:

- providing advice to the planning and policy development of the university;
- stimulating curricula development;
- increasing awareness of opportunities;
- handling exchange matters/study abroad for Australian students;

- training of staff (in student support or cross-cultural training);
- providing student support;
- handling arrival and departure arrangements;
- providing English language support;
- providing academic bridging programs;
- giving study methods assistance;
- helping with accommodation and other facilities;
- providing links to community organizations;
- supporting international student organizations;
- recruitment/admission;
- providing information at several stages and levels;
- promoting different activities;
- contact with links;
- alumni support;
- management of projects/offshore programs.

The costs of an international office can be covered by fee-income. An average of about 10 people is employed for this service at each university (totally 390 at 36 universities), serving a very different number of students each. Appointment of academic advisers at the faculty level may enhance the quality of support for international students. Only five universities had staff incentives to promote internationalization.

Internationalization of Teaching

Curriculum

One of the strongest tools for internationalization is internationalization of the curriculum. Back et al (1996) list the following changes as examples of internationalization of curriculum:

- “*additional international content into courses*

- *comparative and cross-cultural approaches*
- *language and media studies*
- *interdisciplinary programs covering more than one country*
- *joint degree courses involving a professional course linked to an international studies/language course*
- *courses taught, in part, overseas or involving a study abroad component*
- *a placement in an overseas organization or an international study tour*
- *courses using visiting academics from overseas” (quoted from Hamilton 1998 p 5).*

30 of 35 universities had routines for the internationalization of curriculum in 1995, and 1000 initiatives could be counted as such. Of 175 examples provided, 65% involved curriculum content and 28% form. The answers suggested that internationalization of curriculum has become an important phenomenon of the 1990s. The initiatives were to a very high degree concentrated on the Asia-Pacific region. This new concentration on curriculum seems to have increased the awareness of some important issues in the relationship between Australia and its trading partners. In short, it seems that concentration on curriculum increases the awareness of the quality of what is sold. In fact, the awareness of the needs of international students when it comes to the form and content of curricula is suggested to have a innovative influence on ways of thinking, which at least could lead to a wider perspective to the benefit of all students (de Wit p 135).

Exchange and study abroad

38 Australian universities in 1995 reported that they had 1256 exchange agreements in place, allowing Australian students to take parts of their studies overseas. For staff, 997 exchange agreements all over the world were in place.

A number of universities had the target of about 3% of their total domestic student population studying overseas by the year 2000. In 1995 there were 1307 Australian exchange students in other countries. Study abroad programs (parts of a course taught abroad) had a total of 226 outgoing and 846 incoming students. These numbers were in spite of the provision of scholarships to facilitate exchange. The numbers suggest that the

targets in this area possibly will not be met. Back et als (1995) suggest some possible reasons for the modest outcome:

- student mobility in Australia is traditionally very low; students choose normally an Australian university close to where they come from and stay there till they graduate.
- the lack of credit agreements between Australian institutions and universities overseas represent an obstacle to exchange.
- there are increased costs for students by going overseas.

However, similar problems must be faced by every student who goes to another country and are not unique to Australian students. The first point, however, is connected to a strong tradition and culture and constitutes a major barrier. Something has changed in the Australian academic world since the times when every academic had strong links to certain western countries and was more than happy to spend extended periods of time at an overseas university.

Offshore and distance education: Australia out or Asia into Australia

In Australian Universities, there is a strong tradition for offering courses by distance education, which by many now is extended to the international arena: "Because of the great distances between the urban centres in Australia, the offering of degree courses by correspondence has long been an important feature. Pioneered by the University of New England and the University of Queensland, university teaching in the distance education mode is now a feature of many institutions, both individually and in consortia. This specialist knowledge of the methods of distance education is now being applied as part of the provision of courses to students offshore (de Wit p 136). Twenty universities had enrolled 5000 international students in distance education programs by 1995, often using new technology (primarily e-mail).

Twinning arrangements and study centers offshore and onshore

Twinning arrangements mean that two institutions have an agreement enabling international students to take parts of their course in the home country, maybe taught by Australian

teachers or with teaching supervised by Australian staff, and then take the remainder of the course in Australia. 27 universities had twinning programs with 93 institutions involving about 13,000 students in 1995. The most popular country for twinning arrangements was Malaysia, where about 21 local colleges in 1995 had agreements with about 25 Australian institutions. This method is an alternative to establishing off-shore campuses, which have been established by a small number of the larger Australian universities. Seven institutions had offshore campuses in Asian and Middle East countries in 1995, with about 1400 students enrolled. On the other side, there was an increase in the number of Asian study centres (teaching Asian languages and Asian studies) within Australia from ten in 1985 to 50 in 1996. Teaching of Asian studies and languages commenced in Australia immediately after World War II and today 31 universities teach one or both.

International Technical Assistance and Training

Such projects had a total value of about \$35m and comprised both aid-based and commercial-based development projects and short courses.

Internationalization of research

Australian academics have always been oriented toward the international academic world as a consequence of many having taken their postgraduate education and study leave overseas. Today the aid efforts aimed to develop higher education and research in Asia/Pacific creates important opportunities for Australian scholars. They can participate in teaching of international students onshore and offshore; they can attend seminars and conferences and engage in joint research activities, networks and consultancies. Some of these activities are supported nationally and from the institutions. Projects funded by the World Bank and the Asian Developing Bank give similar opportunities, with a geographically wider scope (de Wit p 125).

There were 1800 more or less active links in 1995, involving one or more of the activities of student exchange, study abroad, staff exchange, and academic/research collaboration (de Wit p 131. Table 5.2). Thirty-seven universities had 1020 research links with a global perspective. Programs that allow Australian students to take part in their research overseas were reported by 6 of them. On the other hand, 30 universities reported to have enrolled overseas 886 research students with scholarships. Twenty-eight universities reported to have 519 Research Centres with international links. (de Wit p 143). In 1997, 2657 active agreements were in place. Most of the agreements were with US institutions (461), with the Asian countries of China and Japan coming next. For international exchange of teaching staff there were 997 agreements in place in 1995 (Hamilton 1998 p 5).

The Australian Research Council (ARC) provides advice to the Australian Government on research priorities and international cooperation. It also establishes links with similar overseas institutions through signing of Memorandum of Understanding (MOU). Exchange of information and joint support for collaborative research projects are important motivation for these efforts. Formal research cooperation agreements also exist on institutional level; there were about 270 in 1997 (Hamilton 1998 p 4). Important for the possibility of undertaking joint research project is the establishment of the electronic network APHEN (see below)

The Research and Development Internships Program in Asia (RDIA) funds advanced research links. Seven applications were successful in 1994.

In 1998, 22.4 million were earmarked for 300 Postgraduate Research Scholarships and 100 Australian Research Council Fellowships. 3.6 million were allocated under the International Awards and Exchanges Programme.

Internationalization in Numbers

Reliable statistics for overseas students in Australia has been a problem for many years, due to inconsistency in methodology in the gathering of data from different sources.

Through an effort from DEET in 1992 there is now reliable statistics, which is issued in “Selected Higher Education Students Statistics”. There is some incomparability when it comes to the years before 1992, but the numbers will give a main impression about the development.

Table 4.1 shows the development in international student numbers at Australian Universities from 1982. Totally there were 33.226 male overseas students enrolled in Australian universities in 1997, compared to 29.728 female.

Table 4.1
Development in international student numbers from 1982 - 1997

Year	Total	Overseas	Annual growth rate
1982	341,390	12,033	
1983	348,577	13,674	
1984	357,373	15,339	
1985	370,016	16,075	
1986	389,968	16,782	
1987	393,734	17,248	
1988	420,850	18,207	
1989	441,076	25,447	39.8
1990	485,075	28,993	13.9
1991	534,538	34,408	18.7
1992	559,365	39,490	14.8
1993	575,617	42,571	7.8
1994	585,396	46,441	9.1
1995	603,177	51,944	11.8
1996	634,094	54,188	4.32
1997	658,827	62,974	16.2

Sources: Higher Education Students Time Series Tables 1996 and Selected Higher Education Students Statistics 1997

Table 4.2 shows what part of the world the 62.974 overseas students in Australia in 1997 were born, while Table 4.3 shows lists the Asian countries which in 1997 sent more than 1000 students to Australia and Table 4.4 provides information on study mode.

Table 4.2**International Students 1997 by origin - part of the world:**

Part of the world	Overseas Students
Asia/Middle East	54549
Europe	1.999
Africa	1.127
Americas	1.906
Pacific Islands	1.982
Other/not known	493

Source: Selected Higher Education Students Statistics 1997.

Table 4.3**Asian Students in Australia 1997 by Country of Origin:**

Country	Students numbers
Malaysia	13.028
Singapore	11.339
Hong Kong	9.052
Indonesia (including Timor)	5.968
China, Peoples' Republic	2.575
India	2400
Thailand	2.226
Taiwan	1.703
Korea, south	1.403
Japan	1.321

Source: Selected Higher Education Students Statistics 1997.

Table 4.4**International Students in Australia 1997 by Study Mode:**

Full time, internal	Part-time, internal	External	Total
41.346	15.096	6.522	62.974

Source: Selected Higher Education Students Statistics 1997.

There are slightly more males than females in each category of study mode group except for those studying externally (3.094 males and 3.428 females).

Far more overseas students study Business, Administration and Economics compared to national students, while the situation is opposite for courses in Arts, Humanities and the Social Sciences. Apart from this, the study pattern does not differ much. We find the bulk of students in these disciplines, in addition to Science. The following table shows the distribution of overseas students by broad field of study.

Table 4.5

Students in Australia 1995 by Broad Fields of Study:

	Agri- culture	Archi- tecture	Arts, Hum., Social Sc.	Business, Adm., Ec.	Educa- tion	Engi-neer- ing, Surveying	Health	Law	Science	Vet. scienc e	Non- award	Total
Over- seas	715 1.4%	1463 2.8%	6387 12.3%	21502 41.4%	1995 3.8%	5368 10.3%	4671 9%	744 1.4%	7691 14.8%	123 0.2%	1285 2.5%	51944 100%
All 1997	12,137 1.8%	15,187 2.3%	164,862 25%	161,048 24%	73,510 11%	50,013 7.6%	75,161 11.4%	30,525 4.6%	103,701 15.7%	1,639 0.2%	5,798 0.9%	658,827 100%

Source: Selected Higher Education Students Statistics 1996.

Table 4.6

Students in Australia 1997 by Level:

Postgraduate	Undergraduate
16.858	46.116

Source: Selected Higher Education Students Statistics 1997.

Overview over Some Bodies established to help the Implementation of Policies for Higher Education

DEETYA

Responsibility for internationalization of higher education at the federal level rests mainly with the Department of Education, Training and Youth Affairs (DETYA, earlier DEETYA and DEET) through its international division. DETYA aims to promote international cooperation in education and training through participation in the activities of international organizations, stimulating consultancy services, facilitating access for international students to Australian education and for people with overseas skills to integration in the labor market, and improving language learning and literacy in Australia. DETYA works to develop and strengthen country-to-country relations. Australia participates through DETYA in several international organizations, like the Organization of Economic Cooperation and Development (OECD), UNESCO, The Asia-Pacific Economic Cooperation (APEC). DETYA itself establishes special programs to further internationalization in different areas including:

- Research and Development Internships program (RDIA) provide Overseas Postgraduate Research Scholarships (OPRS). Postgraduate students from developed countries and students from developing countries not covered by ADCOS (see AusAID below) have the opportunity to apply for grants to cover tuition fees through OPRS. Scholarships are awarded on base of merit;
- Targeted Institutional Links (TIL) is designed to foster internationally competitive research in Australia and other countries in the region. TIL supports projects and scholarships to postgraduate students;
- Asia Fellowships Program supports projects that develop opportunities for Australian professionals in five countries in South-East Asia;
- Bilateral links like Memorandums of Understanding (MOUs) with overseas governments especially in the Asian region, which turn out to be very important for educational and cultural cooperation: with Thailand on higher education issues, with Vietnam concerning education and training, with China on vocational, technical and distance education;
- The National Office of Overseas Skills Recognition undertakes comparisons of overseas skills and Australian academic or technical awards to assess overseas qualifications on request from immigration officers, different assessment bodies and others; it organizes also bridging courses for overseas-qualified professionals. Mutual recognition agreements of certain professions are a topic for devolvement between Australia and the ASEAN region.

AEI

The Australian International Education Foundation (AIEF) was established in 1994 under DEET (now DETYA). This organization was guided by a council which advises the Minister for Education, Training and Youth Affairs on policies and matters related to the mission of the foundation. The main responsibilities of AIEF were to strengthen the government/industry partnership and to market Australian education and training at all levels overseas, as well as furthering the opportunities for Australian students to study overseas. In May 1998, the AIEF was replaced by the Australian Education International (AEI). The establishment of the AEI in 1998 is part of a new “Team Australia” approach

to the promotion of education and training services overseas. The new approach is intended to maximize the promotion activities undertaken by different institutions. AEI is substantially funded by the Australian Government. Additional income is generated by offering some fee-for-service activities, but the core services are free. AEI directly advises students and educational institutions, and have responsibility for developing and controlling quality standards for promotion. It helps forming alliances, and promotes Australian Government scholarships and awards overseas. AEI for instance participates in exhibitions, fairs and conferences, and arranges and sponsors visits by opinion leaders to Australia. The AEI has very good and updated web-sites, accessible for subscribers against a fee. AEI has joint ventures with industry like tourism. An intensive market research program is implemented.

AEI is linked to the DETYA's international work. AEI is supposed to work on a government-to-government basis, for instance, through Memoranda of Understanding (MOUs). The Government base of the organization allows it to work through Australian Education and Network Counsellors, Australian Education Centres (AECs) and Education Advisers. Education advisers are based in Australian Diplomatic and Trade Missions in Italy, Switzerland, Germany, Spain, France, Austria, United Arab Emirates, Pakistan, Saudi Arabia, and South Africa. The Australian Education and Network Counselors are located in Bangkok, Beijing, Jakarta, New Dehli, Kuala Lumpur, Seoul, Tapei, Tokyo and Hanoi. They provide contacts and help for visiting Australians, arrange translations and make appointments, and provide assessments of local institutions and undertake research on marketing activities. One counsellor in Paris is the point of contact with the OECD, giving AEI access to the resources of this influential organization.

AECs

One tool to obtain the goals of the AEI is the Australian Education Centres (AECs). These offices were operated under IDP until 1994, when AIEF, now AEI took over the responsibility. AECs are located in Bangkok, Ho Chi Minh City, Hong Kong, Jakarta, New Dehli, Kuala Lumpur, Seoul, Tapei, Paris, Tokyo and Hanoi. Information about education

and training in Australia is a main focus. Individual institutions can promote through the Centres. A variety of promotion efforts are used.

AusAID

The Australian Agency for International Development (AusAID and earlier known as AIDAB) is responsible for the Australian aid activities directed towards developing countries. About 20% of the total expenditures are directed to education and training. AusAID offers two kinds of scholarships: The Australian Development Cooperation Scholarships (ADCOS), and the Australian Sponsored Training Assistance Scheme (ASTAS). The scholarships are supposed to cover fares, living expenses, and tuition fees. Full-time undergraduates or postgraduates from developing countries in Asia, the South Pacific and Africa can apply

In 1995, 6107 students were sponsored, which is close to 10% of the international students in Australia. AusAID has several sub-organizations, which takes care of the balance when it comes to gender, training, higher education and other. AusAID may be moving away from granting scholarship and training as part of its aid and development program: *“In future, education and training aid is likely to become embedded in international development projects that are awarded by competitive tender”* (UNE 1998). AusAID increasingly seeks specific short course training to meet a country’s development need. Such aid is also given on competitive basis. The World Bank, the Asian Development Bank, and UNESCO increasingly follow the same principles. Hence, institutions capable of submitting tenders and participating in international projects will be favored in the future.

AVCC

Australian Vice Chancellors committee (AVCC) is a major organization representing the universities both internationally and nationally. Its membership includes all Australian Vice-Chancellors. AVCC has established an international relations office to take care of the duties related to internationalization efforts, which are expressed in its mission statement as follows: *“AVCC develops policy positions and guidelines on various higher education matters and encourages international cooperation, provides an information clearing house*

for Australian universities, and administers programs involving Australian universities...” (AVCC 1998). The AVCC established a position as Director of International Relations in 1993 and at the same time an International Committee was established. An International Relations Strategic plan was issued in 1997.

AVCC cooperates with universities and university organizations internationally. As part of this cooperation policy, AVCC has initiated the establishment of the University Mobility in Asia and the Pacific (UMAP), and IDP Education Australia.

UMAP

The University Mobility in Asia and the Pacific (UMAP) program is based on bilateral agreements and works to increase regional understanding and quality of education through extended exchange of staff and students between the institutions involved in UMAP through their bilateral agreements. The aim is to achieve better understanding of the cultural, economic and social systems in the region. To obtain these goals, the Australian Government funds the activity and DETYA has the responsibility for the overall management of the UMAP trial program. The organization was initiated by the AVCC in 1991. The Australian Government funds the AVCC to administer the Australian National Secretariat of UMAP and supports efforts from Australian universities to participate in the program. The inspiration came from the well-established programs of European university cooperation, particularly ERASMUS. Australian students studying abroad within the UMAP increased from 500 in 1993 to 1000 in 1995. In 1997, 0,17% of the undergraduate students participated in the UMAP program. In 1998 the Australian Government contributed with \$1.2 mill to UMAP. According to the AVCC (Hamilton 1998), it should be ten times more to have real impact. AVCC refers to the importance and role of the European equivalent, ERASMUS/SOCRATES, in creating an Euro-centric perspective among its future leaders. This program is supported with \$A150 mill. each year by the European Commission. This has made it possible for about 150.000 students to participate in the program in 1997, which represents about 5% of the undergraduate cohort.

AUAP

Cooperation at institutional level is facilitated through the establishment of the Association of Universities in the Asia and the Pacific (AUAP) in 1995. 140 universities in 17 countries were Founding Members, among them 33 Australian ones. The AVCC is Associate Member. The intention with this cooperation is to “*strengthen the institutional capacity to serve society, and enable them to cooperate with university and government bodies at local and international levels to implement programs that would assist the development of the member institutions*” (AVCC 1998).

APHEN

The AVCC provides the secretariat for the Asia Pacific Higher Education Network (APHEN), a recently established electronic network for multilateral research and teaching. The regional network is part of UNESCO’s UNITWIN umbrella, a global network for research collaboration. APHEN has the following goals:

- *provide a means of facilitating, extending and enhancing mutually links between higher education institutions in the region;*
- *provide increased opportunities for collaboration in teaching and research, particularly in key areas related to sustainable development;*
- *provide opportunities for staff and student mobility; and*
- *facilitate the transfer of technology between institutions.* (Hamilton 1998 p 5)

IDP

IDP Education Australia (IDP) is Australia’s international education organization and was established to support the international activities of Australian educational institutions, with the main concentration on the public-funded tertiary education. It provides a number of services for universities and private organizations that join the organization. The organization provides a forum for debate on international educational matters and produces a wide range of publications.

Until the 1980s, this organization implemented the aid program for higher education. Its history goes back to 1969, when it was called the Australian Asian Universities Cooperation Scheme. It was established as a sub-organization under AVCC, but became an independent organization in 1984 under the name International Development Program of

Australian Universities and Colleges Ltd. In 1994 the organization's name was changed to the current name. IDP is an important organization, independent of the Australian government but with activities relevant to the work of several government departments, such as AusAID, and to foreign governments and organizations like the World Bank. IDP has developed important international links with many organizations all over the world. Back and Knight list the following program of international activities for IDP:

- *the preparation of bids and the management of projects and contracts, including technical assistance projects;*
- *fellowships programs and training;*
- *student information and advisory services;*
- *publications on Australia's education courses and training capabilities;*
- *the arrangement of education exhibitions and promotions, international conferences and study tours;*
- *English language teaching and testing (de Wit p 141).*

IDP operated the Australian Education Centres for four years before the responsibility were transferred to AIEF in 1994. The IDP still cooperates with AEI to administer some of these centers and to promote Australian education offshore. IDP arranges annually a major conference in Australia on international education.

AAIE

The Australian Agency for International Education (AAIE) was established in 1993, initiated from "the bottom". Supposedly, there will be established sub-organizations in every state. The agency is meant to be a forum for sharing of experiences, a body for quality assurance and awareness of ethical standards, a forum to stimulate research, development, and exchange, and a meeting point with government, media and other. This organization will constitute the counterpart of EIAE in Europe and NAFSA in the USA.

National Alumni Secretariat

One important possibility for developing links for several purposes is to use the great number of graduates when they return to their home countries. As an example of the importance of the alumni group in certain countries, there were in 1996 120.000 Australian alumni in Malaysia. In 1995, a National Alumni Secretariat was established by AEIF. This

is meant to constitute a reference and information point for the offshore activities of Australian alumni groups. It is also a goal that this secretariat should develop a returning home program for graduates in cooperation with institutions. Fifty alumni associations existed in Asia in 1996 and some also in North America and Europe. The Australian Government itself sees these activities as important for networking. The Department of Foreign Affairs and Trade in 1994 made a review of the "Australian-Asian Alumni Network" which recommended strong cooperation between alumni group and coordination through a central directory. This review took a business perspective rather than an educational one, which underlines the wider importance alumni are supposed to have for Australia.

Code of Ethical Practice

The Code of Ethical Practice in the Provision of Education to International Students by Australian higher education institutions was initiated by the Federal Government and the Australian Education Council in 1987. After a consulting phase, the first code was adopted by the AVCC in 1988, which recommended its adoption in all universities from 1990. The code was revised in 1994. In 1995 a code for provision of off-shore courses was released. In 1998 it was agreed that the two codes should be combined into one. The intention with the code is to ensure that overseas fee paying students receive value for money when they buy an education in Australia. The principles of the code apply to both formal award courses and non-formal courses. The code is in the form of a set of guidelines that provide flexibility for institutions, and is used as a kind of contract between the institution and government bodies. The code gives guidelines for marketing, selection criteria and, the institutional responsibility for the education and welfare of students, and the qualities of the staff who teach and support the international students. One part of the code is a checklist for the institutions offering higher education to international students. The institutions are supposed to appoint an officer or establish an appropriate unit responsible for the international students program. Expectations with regard to marketing procedures and the use and conduct of agents are spelled out. Guidelines for pre-departure information, arrival procedures and support of international student learning and welfare needs are detailed. One part relates to fees refunds. Institutions generally follow the Code,

acknowledging that this is crucial for their future chances in the international education market: *“When this Code of Ethics was initially prepared it was suggested that it was merely a paper tiger. however, I can assure that this has not been our experience. Institutions did not agree lightly to abide by the Code and know that the AVCC’s role in monitoring their compliance involves applying sanctions of some kind to those failing to maintain its provisions”* (Hambly 1996).

Comments on Federal Policy Development

Australia’s history and location as a “western oriental country” provides challenges and opportunities in a number of areas. Attitudes have changed through the years, moving Australia from having a western oriented world-view to a realization of Australia’s dependence of and possibilities in the Asian-Pacific area. Some federal policy changes can be seen in this light; among others are the policies on internationalization of higher education. The Asia-Pacific countries were in colonial times seen as an area of exploitation for the colonial powers. Attitudes to the population, culture and history of these countries were at least patronizing. With the end of the colonial area after the second world war, the battle among earlier exploiters and others to obtain rewarding influence took several forms. Even aid projects like the Colombo Plan can be seen as a measure to secure future influence, such as with the American Marshall Plan in relation to European countries. There was recognition that without economic development of the former colonies their future value as trade partners would be a minor one and the danger of political lability in those areas would increase. The Australian policy on internationalization of higher education has changed along with the rise of the Asian economy. When the UK introduced full-fees for international students, of whom the students of Asian origin are a substantial part, Australia very soon reviewed its policies on internationalization and turned from “aid to trade” in the mid eighties. Policy makers calculated the income potential up against the goodwill that was created by the existing aid perspective, and took the chance. However, international student numbers have continued to increase and the change must be considered successful. The criticism could be put to an end by the fact that the number of

aid based scholarships also increased, a development made possible through the financial gain of this new service export industry itself. One important reason for fast increasing overseas students numbers is the fact that while the enrolment of international students earlier was limited, the limitations in student numbers now were removed, under certain quality conditions. In other words, there existed already a market that only needed a new policy to be accessible.

In the first phase, it is possible that the new policy was motivated mainly by the wish to keep the market share of the Asian countries in competition with the UK and other English-speaking countries. However, during the stepwise introduction of full-fees for international students from 1980, there have always been arguments emphasizing the importance for Australia of the Asian-Pacific countries, for economic, political and cultural reasons. At the end of the eighties, the Garnaut-report gave weight to these arguments and probably provided later policy makers with heavy ideological and political arguments for changes. Hence, in the nineties other arguments than economic ones have been used as the rationale for internationalization of higher education and the scope of the internationalization activities have been broadened. Recruitment of international students is now one of several activities and staff exchange, research cooperation, mixed mode of educational offers leading to institutional cooperation and other activities give internationalization a new image of cooperation among equal partners. Establishment of organizations like UMAP and a network such as APHEN underlines this development.

Implementation of internationalization policies by the universities is facilitated by supporting government bodies. But the Federal Government has additional means to stimulate implementation. The main tool to obtain desired behavior is financial. By reducing the importance of federal funding to higher education and by allowing for institutions to exploit other sources of income, the direction of institutions has changed. The financial tool has as shown been used to make the universities increase efforts to recruit overseas students, at first because they were funded like Australian students, later because they were subsidized and at last because the universities were allowed to charge

full fees. Of course, the universities' ability to attract international students is very different. Some of the larger institutions, especially in the major cities, have been particularly successful. The success of other institutions is dependent upon a range of factors that I discuss in later chapters. I will particularly look at implementation of internationalization policies in three medium sized regional institutions, which in my opinion do not attract students from overseas automatically by size or location, but instead have to work hard to compete.