

**The Management of Higher Education:
Challenges Before Higher Education Leaders in the Twenty-First Century**

A Keynote Address

Presented at

**The First International Conference on Moldovan Higher Education, Chisnau,
Moldova, December 18-19, 2001**

By

Steve O. Michael, Ph.D.

Dr. Steve O. Michael is associate professor of higher education, coordinator of higher education doctoral program, and an interim associate dean at the College of Education, Kent State University.

Correspondence to:

**Dr. Steve O. Michael
Room 404 White Hall
College of Education
Kent State University
Kent, Ohio, 44242-0001
Phone: (330) 672-0646
Fax #: (330) 672-3246
Email: smichael@kent.edu**

<u>The Management of Higher Education: Challenges Before Higher Education Leaders in the Twenty-First Century</u>	3
<i>Introduction</i>	3
<i>Context</i>	4
<u>INCREASING IMPORTANCE OF HIGHER EDUCATION</u>	6
<i>Global Security</i>	6
<i>Economic Importance, GNP, and Participation Rates</i>	7
<i>Evolution of Higher Education And Management Responses</i>	11
<i>Current Management Strategies</i>	15
<i>Leadership Development</i>	16
<i>Data-Based Management</i>	16
<i>Financial Management</i>	17
<i>Marketing Strategies</i>	18
<i>Planning in Higher Education</i>	18
<u>CHARACTERISTICS OF EFFECTIVE HIGHER EDUCATION SYSTEMS</u>	20
<i>The Principle of Accessibility</i>	20
<i>The Principle of Diverse System</i>	22
<i>The Principle of Institutional Autonomy</i>	24
<i>The Principle of Academic Freedom</i>	29
<i>The Principle of Strategic Financing of Higher Education</i>	31
<i>The Principle of Diverse Participation</i>	36
<i>The Principle of Continuous Search for Excellence (Quality)</i>	38
<i>The Principle of Accountability</i>	42
<i>The Principle of Human Resources</i>	43
<i>The Principle of Competition</i>	44
<i>The Principle of Environmental Stability</i>	45
<i>Challenges</i>	45
<u>CONCLUSION</u>	47
<u>REFERENCES</u>	49

The Management of Higher Education: Challenges Before Higher Education Leaders in the Twenty-First Century

Introduction

I would like to thank the organizers of this conference, especially Professor Anatol Gremalschi for conceiving a need for a conference of this importance and for exerting efforts to make it a reality in Moldova. I also want to thank all the supporters of this conference. The Soros Foundation has helped to realize many of my international objectives and I thank all their staffs and leaders. In addition, I want to thank Ms. Ludmila Cravenco, a citizen of Moldova and a doctoral student at Kent State University. Ms. Cravenco is currently completing her doctoral dissertation with a specific focus on internationalization of higher education. She is probably one of the first individuals from Moldova to specialize in the field of higher education and, without doubt, Ludmila will be a great asset to your country in the coming years. I hope your authority will keep an eye on her. Over five years ago, I remember that Ms. Cravenco discussed with me her desire to organize a higher education conference for her country Moldova. She even went further to write a grant proposal to secure funds from agencies, and I know there is no one happier than her that a conference on higher education has become a reality in Moldova.

In every major conference of this nature, there is usually a keynote speaker, one who attempts to bring inspiration to the theme of the conference and who also contextualizes the many separate presentations and discussions organized for the conference. My hope is that my presentation of challenges will serve as an inspiration to you and that you may depart from here with a strong resolve to keep the conversation going, to continue the search for insights to complex issues, and to institute changes that

will bring progress to the higher education system in Moldova. It is also my hope that my presentation will bring some clarity to the complex issue of higher education reform in an era of globalization.

Context

Perhaps as a way of contextualizing the need for leaders like you to meet and deliberate over education in general and higher education in particular, I should make a brief comment about the September 11 terrorists' attack in the United States. I am aware that some people may wonder why the rest of the world should care about terrorism in the United States when many countries have suffered terrorism for many years. However, if the attack was simply an American experience, perhaps this line of thought would have been accurate, but as you might have known, the attack on the World Trade Center resulted in the loss of over 3000 lives from over 80 countries. Never in the history of the world has one single event resulted in the loss of lives of so many nationalities.

If the terrorists had wanted to kill only Americans, there are better targets where Americans congregate almost daily, but the choice of the World Trade Center reflects a strategic assault on the whole world. In addition, the United Nation has just released their forecast for the year 2002 and predicted a bleak picture of decline growth as a result of the terrorist attack. This single event is projected to cause a reduction of the world economic growth from 2.4 percent to 1.4 percent resulting in over \$390 billion loss to the world community next year.

September 11 reminded us that our global peace and security is quite fragile, that our world is quite smaller than we think, that our economies are much interdependent and integrated than we care to know, and that our political interdependence is crucial to our

global cohabitation. The reality of globalization is such that regional injustice takes on a global character, regional conflict demands global attention, and all wars irrespective of where they are have the potential to become world wars.

September 11 revealed a dangerous development in our increasingly global society. First, we witnessed an unconventional use of a conventional technology. Who would have thought that a commercial aircraft can be used as a dangerous weapon to implode an over hundred-storey edifice? Second, it revealed that super persons are capable of taking on the super powers with a deadly consequence. Third, the subsequent anthrax attack in the United States indicates the danger of weaponized biological warfare, not only by nation states but by individuals with the technical-know-how. In a way, the end of the cold war has brought upon us a dangerous time as highly trained and sophisticated scientists who, either because of political or economic reasons, are no longer agents of their states, but now constitute loose cannons, whose knowledge has become commodities that can be bought and sold freely by those who have the money. Consequently, rogue nations, super individuals with lots of money, can buy these individuals and use their expertise to undermine the security of any country and the world as a whole.

Ladies and gentlemen, before we talk about the management and financing of higher education, this dangerous time demands that we ask just what is or what ought to be the role of higher education in our lives in the 21st century? This becomes important because the role we conceive for higher education will determine how best to manage it and what resources we should put at its disposal. My goal is to ruminate aloud about the growing importance of higher education, the evolution of higher education and

management practices. My goal is to end this presentation with a set of principles that I believe will lead to an effective higher education system any where in the world and particularly in Moldova. I should hasten to say that an attempt to provide a set of principles of effective higher education systems that will be applicable to both developed and developing nations is a very bold step.

Increasing Importance of Higher Education

Global Security

Higher education worldwide has catapulted the world into the Information Age, a world in which the only true asset of any society is knowledge. We have become sophisticated in our fight against diseases, but at the same time, we have an incredible power to inflict diseases not designed or produced by nature itself. Society can no longer be protected by governments with the biggest guns, with the smartest military, or with the most sophisticated armory. Knowledge has become an agent for societal advancement or societal annihilation. Although, this has always been true to some extent in our world, never before has the world been so saturated with the kind of knowledge that we have today—knowledge that is capable of inflicting an inconceivable damage to the whole world.

Our universities are at the center of the knowledge industry that houses the leading scientists whose knowledge poses a great threat to our global security. The challenge before higher education leaders includes retaining these individuals in the formal sector of the knowledge industry in order to prevent rogue nations and individuals from buying this knowledge and using it to the detriment of the world. Certainly, to retain these individuals where they can be most productive to our global society entails

good management of the knowledge industry and adequate funding of the higher education sector. And for this reason, leaders like you must work closely with higher education scholars and leaders of other nations to continue our quest for effective higher education systems. This is a goal that I have personally pledged myself.

Economic Importance, GNP, and Participation Rates

At the macro level, the importance of higher education can be inferred from the close relationship between the Gross National Products (GNPs), participation rates in higher education, and expenditures on higher education. Although the proportion of national budgets devoted to higher education in developing countries is considerably high, the total expenditures on higher education in these countries are meager and in most cases do not go far enough to create first class higher education institutions. Be that as it may, countries interested in rapid advancement in all spheres of life have learned to make significant investment in their higher education systems.

The economic importance of higher education can also be deciphered on a micro level by examining the relative earning power of citizens based on educational attainment. Table 1 below shows the earning powers of citizens in the G7 and other nations based on differences in educational levels. For example, in Portugal women with higher education earn over 120% more than women with only high school education, while men with higher education earn over 110% more than men with high school education. Similarly, women with higher education earn over 130% more than women with high school education in the United Kingdom. Clearly, the only promising vehicle

Table 1

Ratio of mean annual earnings of 25- to 64-year-olds by highest level of education attainment to mean annual earnings at the upper secondary level, by sex and country: 1992

Countries	Lower Secondary Education		Higher Education (Nonuniversity)		Higher Education (University)	
	Female	Male	Female	Male	Female	Male
G7/1						
Canada	72	81	116	107	174	162
France	81	87	131	127	142	174
Germany	84	88	114	116	175	170
Italy/2	86	84	/3	116	/3	134
United Kingdom	70	80	156	121	206	171
United States	65	66	130	120	170	164
Other						
Australia/2	90	88	124	121	175	158
Austria	81	85	/3	/3	134	146
Belgium	78	86	137	115	164	149
Denmark/2	86	86	111	110	135	146
Finland/2	94	93	132	132	176	192
Netherlands	73	84	/3	/3	147	132
New Zealand	73	74	98	85	154	118
Norway	76	80	131	131	157	165
Portugal/4	67	65	117	124	188	179
Spain/2	71	78	/3	/3	149	138
Sweden	92	88	119	118	156	160
Switzerland/2	67	76	126	127	152	152

1/No data available for Japan

2/1991 data.

3/Data included in another category

4/1993 data.

Note: Table values represent the ratio multiplied by 100 (the value for the upper secondary education or high school education).

SOURCE: Organization for Economic Co-operation and Development, Center for Educational Research and Innovation, International Indicators Project, 1995.

<http://nces.ed.gov/pubs/eiip/eiipid15.html>

to rapidly ascend economic ladder is higher education almost everywhere in the world.

This is even more so for women than men. Pretty soon in the United States, higher

Table 2

Labor force participation rate for 25- to 64-year-olds, by highest level of education completed and country: 1992

Country	Lower secondary education and below	Higher Upper secondary	Higher education (nonuniversity)	Higher education (university)	Total
G-71					
Canada	62.4	79.9	85.5	89.6	77.8
France	64.9	83.5	89.4	86.9	75.3
Germany	57.0	76.7	86.5	89.8	75.6
Italy	58.2	79.8	(2)	90.7	65.1
United Kingdom	64.5	82.1	84.0	90.3	77.5
United States	60.3	79.7	86.7	88.4	79.2
Other					
Australia	65.1	80.2	83.2	89.2	74.4
Austria	52.8	73.9	(2)	88.4	68.1
Belgium	56.1	78.8	85.3	88.9	68.0
Denmark	73.0	88.9	93.4	93.7	83.3
Finland	69.8	84.7	85.7	91.8	79.8
Ireland	57.3	70.7	81.9	87.9	65.2
Netherlands	55.4	77.0	(2)	85.5	69.7
New Zealand	67.0	79.1	80.9	89.5	75.2
Norway	65.0	83.2	88.8	93.3	81.4
Portugal	65.1	88.4	91.0	95.2	68.8
Spain	57.6	80.2	89.0	86.4	63.7
Sweden	86.2	93.0	94.3	95.2	91.4
Switzerland	71.7	82.2	91.9	92.7	82.3
Turkey	58.3	74.7	(2)	90.2	61.3

1/ No data available for Japan.

2/Data included in another category.

SOURCE: Organization for Economic Co-operation and Development, Center for Educational Research and Innovation, International Indicators Project, 1995.

<http://nces.ed.gov/pubs/eiip/eiipid15.html>

education will be regarded as a minimum qualification for most jobs.

Table 2 shows levels of education and labor force participation. The Table indicates that those with higher education are more likely to be employed than those without in virtually all the countries listed on Table 2. The United States currently operates under a knowledge economy, where knowledge is the main engine, the catalyst of economic development. Under this condition, higher education becomes a critical asset to everyone who has it.

The participation rate in the political affairs of democratic, progressive societies is greatly enhanced by higher education attainment. The only place where this is an anomaly are developing, pseudo-democratic, and autocratic countries, where the politicians work ruthlessly against the interest of their own people by rendering the intellectual wings ineffectual.

I should also point out that in the United States, participation rate in the nation's prisons is negatively correlated with educational attainment. The higher the educational level, the less likely one is to be found in prison. Again, the only deviation is in autocratic countries where insecure government officials incarcerate the intellectuals who dare to challenge them.

The general quality of life is associated with the level of general education of a society. It is no surprise then that the most poverty-ridden nations have little or nothing to show in the way of higher education. Long before they become poor, they had destroyed their educational system, starting from the higher education. Leaders of newly independent nations such as Moldova must draw cogent lessons from Africa and Latin

America. Destroy or constrict or frustrate your higher education system and suffer the consequences that we are now all too familiar with in African countries.

Of course, there are many benefits that higher education confers on individuals who receive it and on the society as a whole, but time will not permit me to go in-depth into them exhaustively. In my teaching, I have always argued that, in the long run, higher education is more important than defense or any aspect of our national affairs because advanced knowledge serves as a basis for progress in all these areas of life. Therefore, given the importance of higher education, leaders must pay closer attention to higher education management, which is a subject discussed below.

Evolution of Higher Education And Management Responses

Michael and Holdaway (1992) provided a framework for mapping the evolution of higher education in Western nations with the purpose of identifying management strategies adopted to respond to the needs of higher education. Table 3 provides a summary of the evolution and the management responses at different phases of development. The first universities, the medieval universities were not institutions for the common men and obviously neither slaves nor women were welcomed there. These institutions were elitist, catering to the needs of a tiny fraction of men and covering a small area of knowledge (usually theology and philosophy). Obviously, the demand for university education at that time outweighs the supply and the role that university

Ideologies	Characteristics	Management Responses
Elitism	Small number of participants Sellers' market, Ivory Tower	Gatekeepers, Stewardship Minimum accountability
Reconstructionism	Democratization/massification Sellers' market Institutional diversification Substantial State funding	Managing growth Gatekeepers Minimum accountability
Reductionism	Financial constraints Buyers' market Competition, restructuring, cut-backs, do more with less, public criticism, formula funding	Increased tuition, increased accountability, open access, strategic planning, cost cutting and cost conscious
Entrepreneurialism	Increased competition, buyers' market, TQM, SP, Program reviews, For-profit institutions, Privatization	Creative Funding, market positioning, cost-revenue conscious, data-based mgmt, Strategic funding.

Table 3: Management Responses to Changing Phases of Higher Education

education plays in the life of society at that time was minimal. Consequently, the elitist phase can be characterized as a seller's market, an ivory tower, where the management behavior reflected that of a gatekeeper whose assignment was to allow only the nobles in and keep the ignoble out. The sole responsibility of college leaders in this era was simply stewardship because if there was any accountability at all, it was minimal.

The first phase of higher education, the era of elitism, persisted until after the Second World War, when the era of Reconstructionism was ushered in. The world economy was depressed, there was poverty everywhere, diseases plagued a war-fatigued world and there was an urgent need for intervention. Smart governments turned to their higher education systems for solution. In the West, higher education was conceived as an instrument of societal change and development and economists started to analyze the economic return rates in educational investments. The early calculations revealed astronomical rates suggesting that, of all the factors of production, human resources, consequently education, was the wisest, the smartest investment for progressive countries. Therefore, western nations embarked on democratization of their higher education systems. By liberalizing participation in higher education, society was able to integrate veterans returning from war and the huge demand for higher education has been described by some as massification of higher education. If the higher education system was a seller's market under the elitist era, it was even more so under the reconstruction era. The demand for higher education outpaced the ability of institutions to absorb them. New kinds of institutions sprang up. Private institutions flourished because governments spent money generously on education. Of course, under this condition, the management response of higher education was managing growth. The actions of institutional leaders were those of the gatekeepers, using various strategies to allocate the limited space among the growing number of college education seekers. Demand for accountability was minimal because society's attention was on spending and expanding access.

However, the era of reductionism puts an abrupt end to the unbridled growth in the higher education sector. Reductionism era was characterized by serious financial

constraints as higher education costs rose sharply and government appropriations either declined or rose at a less than satisfactory rate. Number of applicants declined for some institutions constituting a serious loss of revenue. Competition was intense among institutions and a new message emerged from governments calling for institutions to cut back, to restructure, and to do more with less. This era came to the peak during the Sputnik when criticism of higher education became a national pastime.

In the United States, governments adopted formula funding in attempt to bring rationality to financial allocations among the many institutions vying for more resources. The era of reductionism was also characterized by the buyer's market, when the number of sellers exceeded the number of buyers and more spaces existed on our campuses than we had the right kind of students to fill. Management responses included increasing tuition to generate revenue and the call for accountability became louder and urgent. Institutional leaders also embarked upon strategic planning, higher education institutions became cost conscious and the first management reaction was across the board cuts of costs. To survive, some institutions adopted open access, but some soon realized that the kind of students brought in through this process added additional costs to the already constrained institutional budgets.

The last phase, the era of entrepreneurialism, started in the 80s and continues on today. It is an era characterized by intense competition as new providers begin to use alternative mediums and approaches to deliver higher education in a more cost-effective manner. The entrepreneurial era is also characterized by buyer's market, a situation that puts institutions in a perpetual demand for students, especially the right kind of students. Society's criticism continues and suggestions of business related techniques are not only

welcomed but eagerly embraced. Governments are eager to inject market forces and to encourage conditions that will bring about greater competition among institutions. Institutions have no choice but to adopt a more sophisticated management approach. Leaders are now seeking for ways to carve out their niches and position their institutions in an increasingly competitive environment. Marketing strategies are now being liberally used in some places, and those who are reluctant about good management practices are paying the price of marginalization. Institutions are gradually moving toward data-based management and leaders are becoming more cost-benefit conscious. Some institutions are experimenting with strategic funding and strategic program reviews. Indeed, the entrepreneurial era is upon us and this philosophy is spreading from country to country. From all indications, the 21st century will be the entrepreneurial century for higher education. Consequently, progressive higher education leaders are adapting business strategies to the benefit of their institutions.

Current Management Strategies

In a global market, there are no territorial walls protecting institutional markets. The whole world has become one unitary higher education market, separated only by instructional languages and costs of attendance. Hence, globalization is perhaps the greatest impetus for entrepreneurialism in higher education. To survive in this environment, higher education leaders do not have the luxury of eschewing promising management strategies. The question is not whether or not higher education institutions will embrace management strategies, but how sophisticated and effective they want to be in their application. A few of the management strategies, borrowed from the business

world, found useful in higher education management in the United States are discussed below.

Leadership Development

Abundant literature exists on leadership, especially in the business sector. Theories of leadership range from motivational to communicational strategies, from sources of power to followers' readiness levels. The business sector no longer takes leadership development for granted. Hence, hundreds of thousands of dollars are earmarked for leadership development in corporate America. Needless to say that this practice has now found its way into the higher education administration in America. A typical university in the United States employs hundreds of staff and faculty; hence, good leadership strategies are needed to harness the potential of these individuals for the benefit of the institution. But for this to happen, leaders provide opportunities for a continuous leadership development. Leaders learn that participatory leadership is better than a dictatorial one in an academic institution, they realize that open administration is much more effective than a closed system, and they understand that to create an encouraging and empowering environment is better than to create an environment characterized by fears and micromanagement.

Data-Based Management

Leaders in the corporate world understand the need to generate data that provides insights into product and company performances, into trends, and future forecasts. The need for data has intensified as corporate leaders learn and embrace the concept of "learning organizations"—organizations with an acute sense of the environment and flexible internal structure to adapt. Until recently, higher education has paid little or no

attention to data that can aid in management decision making. The argument has been that higher education is different from the business world because there is no bottom-line such as profit, learning is a difficult phenomenon to quantify, the worth of knowledge discovered cannot be readily determined, and the data that can be generated are too simplistic as to be useful for decision making. Fortunately, universities in the United States are moving away from this line of thinking, again the entrepreneurial environment is compelling a more rational management approach that is based on solid data.

Financial Management

Perhaps there is no area that has seen more changes in higher education management than the financial aspect of the institution. The early universities needed only a bursar to keep the books and disburse the funds as approved. The standard of practice was a simple demonstration of stewardship. Again, the environment of higher education has forced radical changes in the financial systems of universities. Since higher education in the United States has become a multi-billion dollar industry, financial experts are needed to provide important leadership in this area. A typical university has among the top leaders and individual called the vice-president of business and financial affairs. Generally this individual holds several business degrees and he or she is charged with developing creative resource attraction strategies, developing creative cost reduction strategies, and embarking on strategic budgeting. This area of management employs sophisticated strategies for investment purposes, purchases and stock control, and plant management.

Marketing Strategies

About ten years ago, some higher education leaders and professors exhibited strong hostility against marketing strategies on their campuses. To them, marketing was crass-commercialization, a foot-in-the-door salesmanship. But these were leaders whose knowledge of marketing was seriously flawed and whose understanding of the changing environment of higher education was dangerously limited. Fortunately, these leaders soon learn quickly that for their institutions to survive within an increasingly competitive environment, they would have to understand the rules of the game and master the necessary skills. I remember the shock and obnoxious reactions of my professors when I gave my first presentation on marketing of higher education over 10 years ago, but a year after that, my work had progressed to the level where it received the first national award by the Canadian Society for the Study of Higher Education. Times do change and sometimes they change fast. Today, institutions employ marketing strategies lavishly, from enrollment management to public relations, from advertising to product development and under the entrepreneurial philosophy, we have no choice but to perfect the art of marketing of higher education.

Planning in Higher Education

The medieval university had little to worry about because of the small size of its budget, its limited scope of its operation, and the little attention it received from the general public. Planning, under this condition, was simple and easy. However, today's environment is radically different, it is an environment characterized by unpredictable marketing forces, erratic flow of resources, and a growing demand for and scrutiny of the service of higher education. How can a leader effectively management an institution

such as Ohio State University with over 40,000 students without sophisticated planning? How can leaders of Carnegie Mellon University with an annual budget of over 500 million dollars manage their institution without elaborate, integrated planning? The answer is simple: they don't. My recently concluded fellowship under President Jared Cohon of Carnegie Mellon, Vice-Chancellor VandeLinde of University of Bath, and Vice-Chancellor David Watson of the City University of London provided me with a deep appreciation and respect for these leaders' skills in university planning. President Cohon is a man with an incredible sense to discern opportunities, with an intense focus on institutional strengths, with an enormous capacity to rally institutional constituents toward a common goal, and with a great capacity to allocate resources strategically to accomplish a desired end. Indeed, it is no surprise that his institution was rated as one that has made the highest gain in the past one hundred years.

My program at Kent State University, is probably the first in the nation to offer MBA type of courses such as: Business Administration of Higher Education, Cost Reduction Analysis in Higher Education, Financial Management in Higher Education, Strategic Planning in Higher Education, Marketing of Higher Education and all these courses I initiated, developed, and taught them. When the government of Ohio reviewed doctoral programs in Ohio, my program was rated number 1 along with Ohio State University and Maimi University. I believe part of the reason was because the external reviewers found, to their delight, a program with a strong emphasis on prudent management of institutional resources, without sacrificing emphasis on theories of administration and student affairs, and without compromising its emphasis on humanistic leadership.

To conclude this section, leaders of higher education in Moldova or anywhere else in the world must understand the environment in which their higher education systems and institutions are operating under. They must be aware of the challenges that this environment poses and, more importantly, they must understand, embrace, and skillfully apply strategies that will enhance higher education effectiveness. However, to achieve effectiveness, leaders must pay attention to higher education transformation and to aid in achieving this goal, a set of principles which are characteristic of first-rate higher education systems is provided below. I strongly believe that excellent higher education systems have many things in common and these things can be developed into principles. By developing them into principles, leaders can use them as a framework to guide their reform efforts.

Characteristics of Effective Higher Education Systems

The Principle of Accessibility

Inasmuch as the health of a nation depends on the level of education of its citizenry, the participation rate in higher education of every nation serves as the barometer that measures the wellbeing of the nation. The lesson we have learned over the years is that progressive nations have a progressive expansion of accessibility to all its citizens. Recently, the Government of Tony Blair of Britain challenged the British higher education system to almost double the participation rate of British students. Of course, in the United States where access rate is one of the highest in the world, relentless efforts are being made to make participation rate even higher.

Accessibility issues are viewed in terms of three factors: physical, economic, and educational. Physical accessibility entails a reduction of physical barriers that may

hinder higher education participation for different segments of the population.

Geographical proximity is a factor that may reduce participation of some students. A long time ago, Governor Rhodes of Ohio once remarked that no one should have to travel 20 minutes to obtain college education. The second factor regarding accessibility is the consideration given to disabled students. Where facilities are not provided and buildings are not constructed to respond to the needs of disabled students, their participation rate is obviously neglected.

To thousands of students worldwide, economic factor remains the number reason for inaccessibility. In the United States, private higher education tuition fee can cost as much as \$25,000 per year and only a very small segment of the population can afford this. To solve the problem of economic inaccessibility, public higher education tuition fees are kept as low as possible. In the state of Ohio, 4-year institution charges as low as \$4,000 in tuition. It stands to reason that every nation that is serious about participation rates must make the economic hurdle as low as possible. Even with the low tuition, thousands of public higher education students in the United States receive some combinations of scholarships, grants, and loans.

Higher education institutions must address the issue of educational qualifications inasmuch as these relate to two opposing policy goals: the need for higher participation rate and the need for quality higher education. To achieve quality agenda, some have advocated to a more stringent entry requirement and to achieve higher participation rate, others have argued for a more open access with less stringent requirement. The lesson from the United States is that the two policy agendas must be addressed simultaneously. To do this, institutions have tended toward open admission for those educationally less

able with a provision of developmental or remedial educational program for this group. A successful completion of the developmental requirements enables this group of students to be able to meet the high entry requirements; thus, fulfilling the quality agenda. Needless to say that this approach adds more cost to higher education budget, but some have hinted that the alternative to the participation of this group of students would be even costlier to the nation.

Progressive nations have paid attention to the issue of accessibility on several fronts. First, they have increased the geographical proximity between institutions and students; second, they have reconstructed their facilities and buildings to respond to the needs of disabled students. Third, they have provided different higher education programs at different costs so that students with different levels of resources can access higher education at the cost within their capabilities and; fourth, these nations have ensured that those with deficient educational qualifications have opportunities commensurate their needs.

The Principle of Diverse System

Progressive nations understand that people come with different talents, that people's talents are at different stages of development, and that people have different resources to commit to their talent development. Consequently, a higher education system that must respond to these different needs of people has to be, of necessity, diverse. It must be diverse in terms of entry requirements, diverse in years required for completion, diverse in levels of training necessary for mastery, diverse in sizes, and diverse in mission and goals. Table 4 provides information on different sectors of

higher education institutions in the United States in order to show the degree of institutional diversity existing that country.

Table 4. Number of Higher Education Institutions

Type of	Number of Institutions	Number of Students	Percentage of Students Share
Public 4-year	615	5,835,433	40.24%
Private 4-year nonprofit	1,536	3,061,332	21.11%
Private 4-year for-profit	169		
Public 2-year	1,092	5,360,686	36.96%
Private 2-year nonprofit	184	244,883	1.68%
Private 2-year for-profit	500		
Total	4,096	14,502,334	100

Source: The Chronicle of Higher Education, September 1, 2000

Many of the 4000 higher education institutions are specialized institutions, while many more are comprehensive institutions. Many of these institutions are large institutions, while many more are medium and small institutions. Many of these institutions are located in large urban cities, while many more are located in suburban and rural areas. Many of them are highly priced institutions, while a good number are low to moderately priced institutions. Many of American higher education institutions focus on research, while all of them also focus on teaching. A few of them are sectarian, many are secular. These institutions vary in quality, affordability, and mission. In American, we can rightly claim that whoever you are, whatever your talent and resources, if you desire a higher education experience and you are willing to make the necessary effort, there is a college or a university for you. This is an important statement because few nations can boast of this fact. A diverse system of higher education of the magnitude we find in the United

States is certainly an expensive proposition for many countries. However, the goal of every country should be an increasingly diversification of the higher education system.

The Principle of Institutional Autonomy

Higher education institutions perform three primary roles for society: discovery, transmission, and service. Every progressive society must have a mechanism to add to its stock of knowledge, to test the veracity of its widely held body of knowledge, and from time to time, challenge the prevailing traditions and cultures. Under the Western philosophy, truth is said not to be antecedently complete, hence, the role of a university is to proceed on a continuous search for truth. What we have at any given time is truth in use, a truth that is subjected to continuous falsification, experimentation, and confirmation.

Secondly, higher education has additional responsibility of transmitting knowledge to succeeding generations, equipping them with vital knowledge and skills for greater productivity, fuller life fulfillment, and a more enduring happiness. The moral responsibility of higher education is to put the knowledge, insights, and wisdom of yester years at the disposal of the future generations so that they can live a better life than we live today. Consequently, higher education fails society to the extent that it fails to properly transmit recondite knowledge and equip every incoming generation for the future.

Higher education's obligation does not end with knowledge discovery and transmission, it must also provide service to its environment. Precious knowledge must be put at the disposal of society to ease the burden of life. Higher educators, therefore, cannot live indifferently to the suffering and plights of the people within their society.

To fulfill these responsibilities, effective higher education system enjoys comprehensive autonomy. Some have argued that autonomy is one of the most important features of the modern university. Referring to Hutchins' work, Brubacher (1990) observed that "without autonomy, it has been said, higher education lacks the quintessential aspect of its nature" (p. 28). Indeed, it is valid to state that without autonomy, there is no university. While the degree of autonomy granted to higher education continues wax and wane from time to time, we must understand that the best universities are the freest.

For the purpose of this presentation, institutional autonomy is defined as the degree to which an institution is able to determine its own affairs or the degree to which there is no external interference in the life of the academy. With this definition, one can conceive institutional autonomy not as a dichotomous condition of existent and non-existent, but rather as a continuum of zero autonomy to complete or absolute autonomy. An institution whose affairs are decided externally has zero autonomy and an institution that is able to decide every aspect of its affairs without external input of any kind has a complete or absolute autonomy.

To be less abstract, it is important to define concretely what constitutes the affairs of the higher learning that are critical to the issue of autonomy. There are primarily seven areas of institutional affair that are pertinent to institutional autonomy: establishment, governance, mission, personnel, curriculum, students, resources, and accountability.

The first among the features of autonomy is establishment, which in essence, describes the power to bring an institution into existence. All scholars are in agreement

that every society must have a formal procedure for legitimatizing the existence of higher education institutions irrespective of their source of resources. A nation without an established formal procedure for regulating the existence of higher education institutions will be plagued by chaos. Therefore, government seal of approval is essential for an institution to exist. If government seal of approval is essential, government must have a set of criteria for determining which proposal for establishing an institution receives government blessing.

The second feature of autonomy is governance. While the existence of an institution is a matter to be decided by the state, the governance of the institution needs not be decided by the state. Institutional governance describes the authority structure of the institution as well as the individuals who have the highest authority over the institution. The question to ask with respect to governance is: who appoints the people with the highest authority over an institution? With respect to this feature, zero autonomy exists where the chief executive officer of the institution is appointed by the government or the organ of the government and complete autonomy exists where the constituents of the institution are empowered to appoint their chief executive officer. Of course, there are many practices that can be described as either less or more autonomous. For example, in the United States, there is a buffer between the state government and the institution, charged with the responsibility of appointing the chief executive officer of the institution. This buffer is known as the Board of Trustees. The board of trustees has the highest authority over the affairs of the institution, the board members themselves are appointed by the state government in the case of the public institutions, elected from the public in the case of community colleges, and self-

perpetuating in the case of the private institutions. The board then delegates all its powers to the chief executive officer, called a president or a chancellor, with the exception of two: the power to appoint the chief executive officer and the power to take back any power so delegated.

Beyond the governance, institutions live by their missions and institutions that are able to decide their own direction enjoy greater autonomy than those whose direction is dictated by an outside agency. Societies vary on the extent to which they interfere in institutional mission. In some places, the government or the ministry of education decides the mission of the institution, and in other places such as in the United States, the institution itself decides what direction is crucial to its survival. Matters relating to the mission include what broad agenda an institution should pursue? What ought to be the relative emphasis between research, teaching, and service? How should the institution be positioned, and what area of knowledge should be undertaken? Since the mission of an institution determines how resources will be used, this issue must not be taken lightly. However, an institution that cannot influence its own direction can hardly be described as free or be expected to be creative and innovative in meeting societal needs.

Institutional personnel includes administrators and faculty members who must carry out the day to day affairs of the institution. There are influential administrators apart from the chief executive officer whose appointments are critical to the freedom of the institution. These individuals include the chief academic officer, the chief financial officer, and other senior administrators. Institutional autonomy is reduced where government or some external agencies appoint these administrators and, more importantly, where faculty appointments are externally dictated. An institution that

cannot appoint its own faculty cannot be described as a free institution because whoever decides the appointment of faculty, in essence, decides the curriculum of the institution. Given the importance of the faculty to the health of the institution, academic freedom is further discussed below.

The issue of curriculum and research agenda is crucial to institutional autonomy today more than ever before because of the knowledge explosion. We live in a knowledge society where information is increasing at a rapid rate and only those at the frontier of knowledge discovery are well equipped to decide the body of knowledge in their increasingly narrow field. Therefore, any society that is tempted to impose the curriculum and research agenda on their institutions should resist this temptation because to yield to the temptation is to smother life out of the academy.

Who shall have power to admit students to the institution? Who set the criteria or requirements for admission? The type and nature of the students admitted through the portal of the academy determine the type and nature of the curriculum to be offered. Consequently, institutions that have control over their portals have greater autonomy than those whose students are admitted by the state or its organ.

Crucial among the features of autonomy is resources. As discussed under funding below, the source of resources and the amount of resources available determine the quality of the academy. Institutions with one source of funding are captive to that source and their autonomy is decided by the wishes of the source. Where the source is the state, the state exerts great influence on institutional affairs. Ultimately, financial resources are the lifeblood of the academy, without resources, the higher learning withers into oblivion.

The last feature of autonomy addresses the issue of accountability, which is also discussed further below because of its importance. Irrespective of the need for autonomy, society must ensure some checks and balances within its systems and how these checks and balances are structured and managed may constitute a refraction on institutional autonomy.

In summary, Barnett (1997) reminds us that

the lack of academic autonomy will show itself in some form or other. Perhaps in the selection of students for admission, or the promotion of the faculty, or the apportionment of priorities for institutional expenditure, or the direction of research projects; or the range of teaching and research subjects pursued in an institution; or the character of the curriculum. (p. 143)

Also Weber (1999) advised that real autonomy should be granted to universities, especially those funded by the state. He went further to admonish that

To run a university is an extremely complex task; shortsighted political intervention can only do harm. The institution as a whole should have a clear mission that defines what is expected from it, should be free to act, and should be accountable. In addition, this autonomy should not only be enshrined in a general law, but also respected in all fields of legislation. (p. 15)

The Principle of Academic Freedom

Academic freedom is a subset of academic autonomy, but because of the importance it is often discussed separately. Academic freedom refers to that aspect of academic autonomy that provides unrestricted or less restricted environment to the academics to conduct their affairs as they deemed appropriate. To achieve this goal, faculty members enjoy certain freedoms which include, the freedom from ideological

imposition, the freedom from material punishment, and the freedom from external constraints.

To achieve these freedoms, five conditions must be examined carefully and the first is the nature of faculty employment. What kind of employees are faculty members? Are they employees of the ministry of education or some kind of government employees or are they the employees of a relatively independent university organization? Of course, academic freedom is restricted to the extent that the ministry of education or the government plays direct or indirect role in the hiring of faculty members.

Second, the security of faculty employment also determines the degree of their academic freedom. Is faculty employment on a limited time contractual basis in which case they have to continue to negotiate their contracts periodically? Are faculty members provided with the opportunity to obtain tenure after a reasonable amount of time after which they had demonstrated their fitness for the job? Academic freedom is restricted to the extent to which faculty members undergo periodic contractual negotiation of their employment.

Third, the nature of the reward or remuneration associated with faculty employment is a source of constraints on academic freedom. Where faculty members are poorly paid, faculty members are forced to engage in practices that undermine their own freedom and the credibility of their profession. Where there is no openness about faculty salaries and where income is individually negotiated, the level of academic freedom is reduced. Also, where payment of faculty income is erratic, that is, fluctuate from month to month, academic freedom will be seriously compromised.

Fourth, academic freedom also addresses the level of control that faculty members have over their teaching. What control do faculty members have over their courses and the content of these courses? What control do they have over admission requirements? And, what control do they have over the exit qualifications of students? Obviously, academic freedom is restricted to the extent that faculty members' control over curriculum content, admission requirements, and examinations is limited.

Fifth, academic freedom is ensured to the extent that faculty members are free to pursue any line of inquiry of interest to them. This implies the freedom to pursue their own research agenda and to disseminate the results as required by the community of scholars they belong, it also implies the freedom to critique any idea or ideology of the state or agency without fear of punishment. To the extent that faculty knowledge discovery and dissemination is constrained or deflected by convenience or expedience and by external controls, academic freedom is hampered.

State and higher education leaders must pay attention to these five conditions and examine, from time to time, how academic freedom waxes and wanes in their society. Academic freedom is not a license for reckless intellectualism, but a privilege conferred upon the best of minds in service for humanity.

The Principle of Strategic Financing of Higher Education

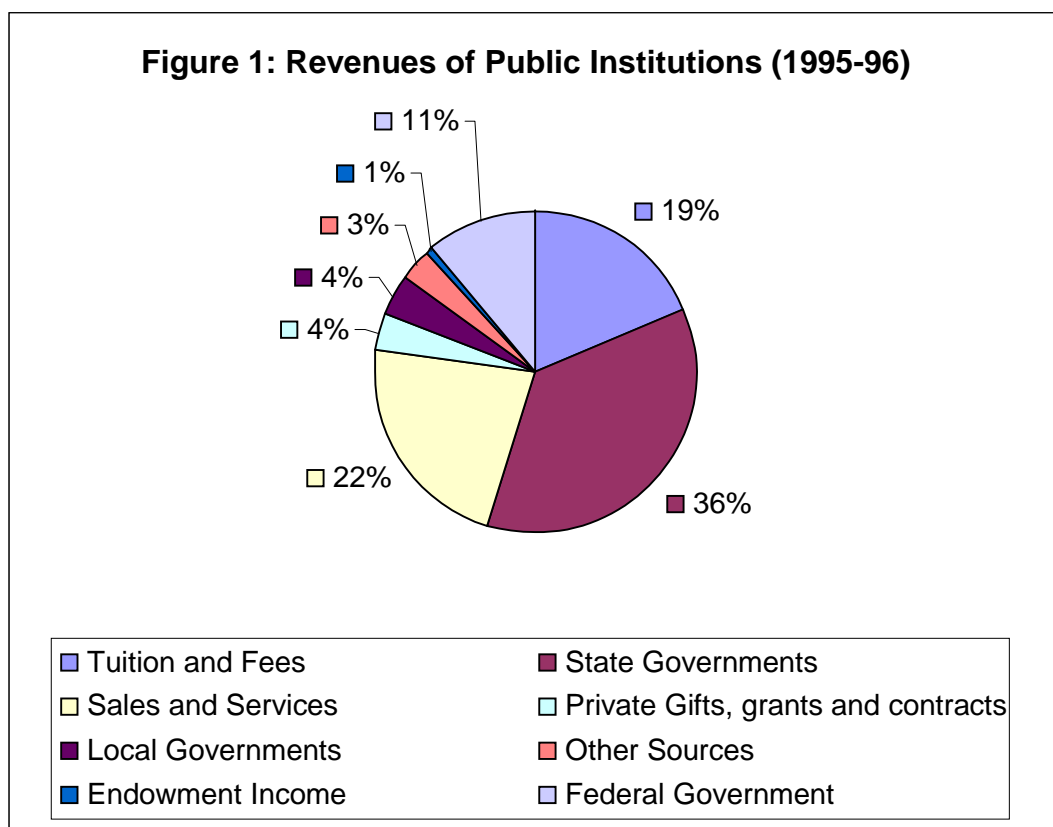
It turns out that institutional behavior is a direct manifestation of funding policies. There is nothing that has more effects on the behavior of higher education institutions than finance. Good institutions have been made weak by poor financial strategies and great institutions have been made even greater by strategic financial policies. Strategic funding is a deliberate, well thought out, holistic management approach to funding higher

education in full awareness of the state of higher education, the vision to be accomplished, and the institutional behavior that needs to be induced to achieve the vision. Strategic funding, therefore, has three elements: the full awareness of the current status of higher education resources, constraints, and challenges; a clear understanding of the vision of what the society wants the higher education to be; and a solid knowledge of behaviors that are invoked by different financial and funding practices.

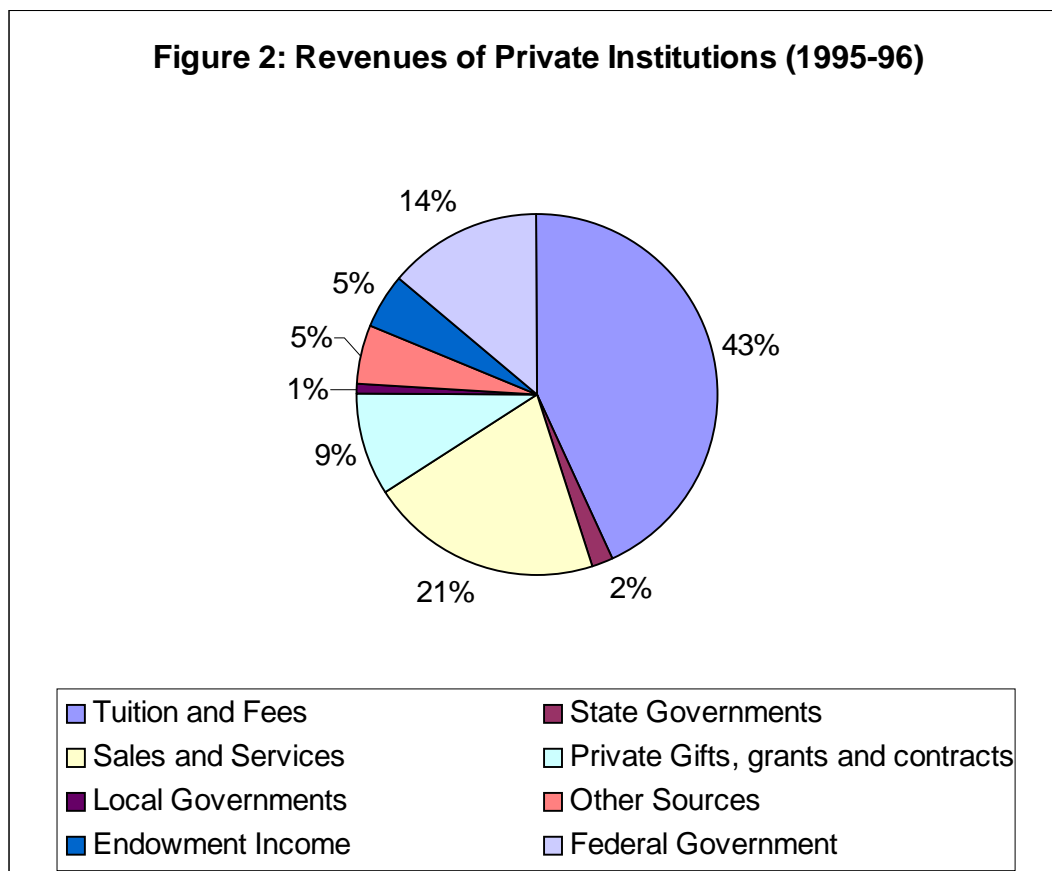
Several other sub-principles can be attributed to the principle of strategic funding. First, strategic funding entails the principle of adequacy. No matter how ingenious institutional leaders may be, prolonged financial constraints can not produce higher education excellence. The principle of adequacy demands resources adequate for institutions to fulfill their basic mission of knowledge generation and transmission and those who aim for excellence should be advised that excellence is not a cheap proposition.

Second, strategic funding entails the principle of diversified sources of funding. Experience has taught us that higher education institutions with only one source of funding will remain a captive to the source. Higher education institutions are unique organizations in their ability to pursue multiple and conflicting agendas. The only guarantee available for these institutions to accomplish conflicting agendas is multiple sources of funding. There is no deny the fact that governments are run on ideologies, and politicians will always have the temptation to control the higher education system for their ideological gain. Yet, effective higher education system must rise above the undulating pendulum of ideologies and to safeguard this, politicians must not be the sole determinant of higher education financial resources.

The two Figures (1 and 2) below depict the structures of sources of funding for public and private higher education institutions in the United States. An important feature of these structure is the fact that there are many sources of funds coming to this sector. This, as explained earlier, is to enable them to accomplish multiple agendas without remaining a captive to whims and caprices of one source. Also, the differences between the sources of funding to public and private institutions are significant. Consequently, these two sectors are influenced by different forces and they manifest different behaviors. For example, given that private institutions are heavily dependent on tuition and fees, these institutions are more sensitive to enrollment market condition than the public institutions.



Conversely, given that the public institutions receive significant proportion of their funds from the state governments, this sector is more sensitive to the political changes at the state level.



Third, strategic funding entails the principle of policy articulation. There are two aspects to institutional funding that must be given equal consideration. First, how much funds are made available to the higher education system and how much each institution within the system should receive? Second, is the manner and approach adopted to allocate these funds to these institutions such that achieve the intended policy outcome? Every approach used has policy implications and intended and unintended consequences. For example, governments may choose to allocate funds directly to higher education

institutions, or they may give the money to students directly and these students can shop around for the institutions of their choice, or a combination of these two. The policy adopted influences institutional behavior and student behavior, and more importantly, produces unintended consequences. Therefore, prudent management of higher education systems requires a close attention to policy intended outcomes as well as to policy unintended results.

Part of the policy outcome-related questions to be examined include:

- How does the funding strategy influence the quality of higher education?
- How does the funding strategy impact faculty training, recruitment and retention?
- How does the funding strategy impact faculty productivity?
- How does the funding strategy impact on student enrollment?
- Does the funding strategy serve as an incentive for college participation?
- Does the funding strategy alleviate the burden of cost on students?
- How is the issue of equity addressed among students?
- Is the cost of higher education borne by the current generation or is it transferred to the future generations?
- How does the funding strategy impact different segment of the population?
- How should allocation among institutions with different missions be accomplished?

As we will all agree, these are certainly not easy questions; hence, these and other related questions have remained the preoccupation of the best of minds in the United States.

The Principle of Diverse Participation

Education is a powerful force that distributes people across the rung of economic ladder. It is valid to say, all things being equal, the higher the educational level, the greater the earning power of a household. Figure 3 provided below illustrates this point very well.

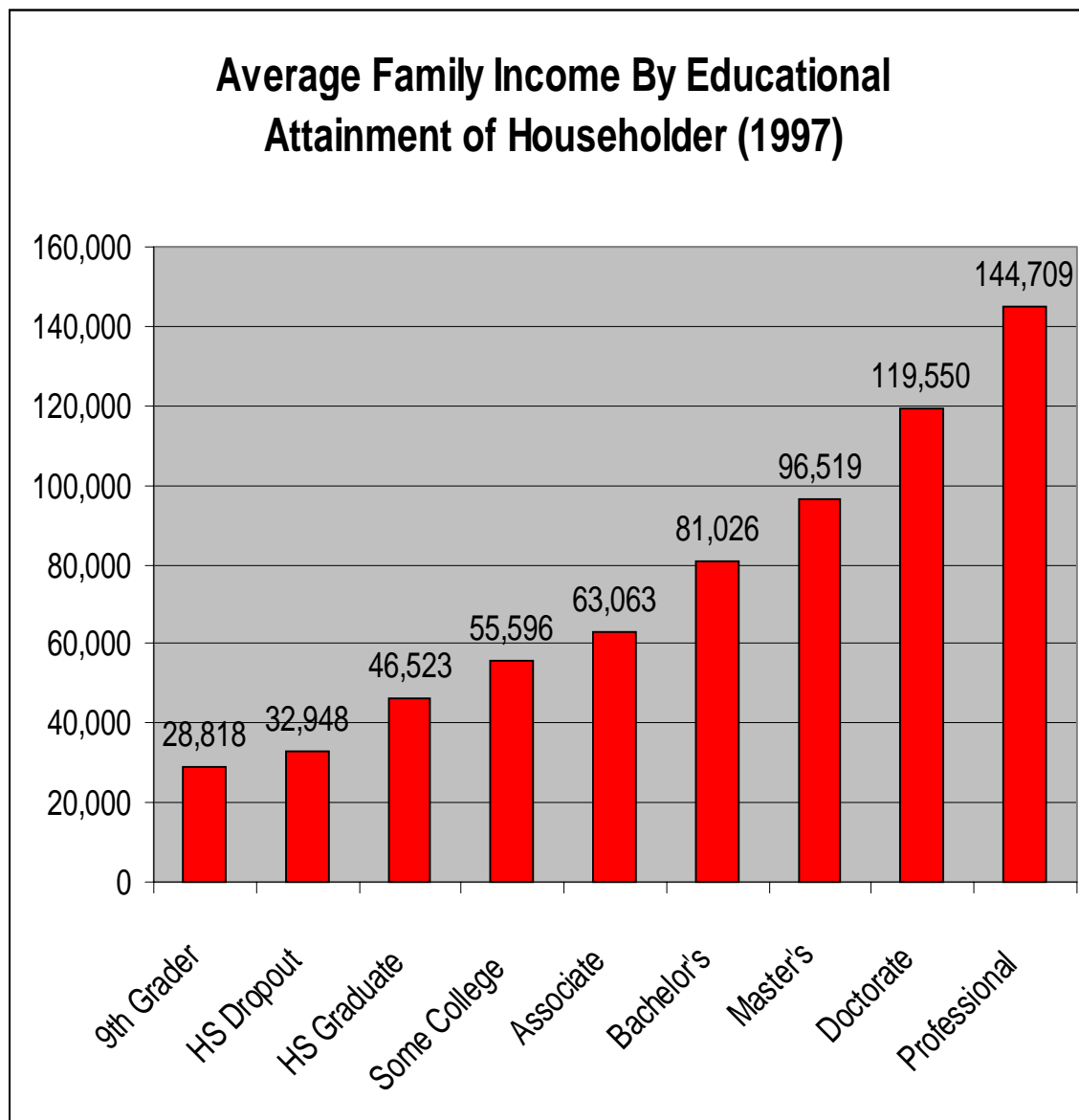


Figure 3: Average Family Income by Educational Attainment
(Source: Postsecondary Education OPPORTUNITY)

Given the increasing importance of education, progressive nations are paying greater attention to differential participation rates among socio-economic groupings. This becomes crucial because human potentials are randomly distributed within human population. Consequently, a nation that fails to provide opportunity across social, ethnic, and economic groups, cannot benefit from the talents contained within the disadvantaged groups. Talented but poor students should be assisted to find ways to develop their talents and put them to work for their society.

In particular, attention is given to gender participation in higher education. This is crucial because where women are highly educated, population problems are minimized and children's welfare is enhanced. Natural justice demands equal gender participation in higher education, and the socio-economic dividends accruing from equal gender participation suggest that it is imprudent to do otherwise.

In addition, every society must examine their historical injustices that exist among different racial and ethnic groups with the intention to encourage equal access to higher education. If certain racial and ethnic groups are represented disproportionately in a nation's prison yards, concentrated disproportionately in the lower rungs of economic ladder, and plagued disproportionately by drugs, crimes, and diseases, chances are that the educational system of the nation is not responding effectively to the needs of the disadvantaged groups. As the Negro United Funds say in the United States, "a mind is a terrible thing to waste." Strategies to encourage diverse participation are not only a wise policy, but also a profitable one for that matter.

Diverse population is also needed to address the central mission of higher education institutions. If truth is not antecedently complete, a monolithic, narrow, and

restricted approach to the search for truth is antithetical to what an intellectual community is all about. The only guarantor of diverse voices, diverse perspectives, diverse creativity, diverse methodologies is diverse representation and participation. A vibrant intellectual community, therefore, is not an entity of a homogenous group of scholars, but a village inhabited by heterogeneous intellectuals.

The Principle of Continuous Search for Excellence (Quality)

A university stands as the citadel of learning, the pinnacle of erudition for its community. Some have described it as the superculture, almost always reforming the folk culture. It is the enduring force that questions all things and changes all things. Given the critical role that higher education performs for society and given the ominous consequences of its actions and inactions to generations to come, society demands that the citadel of learning be founded upon one moral foundation—excellence. So crucial is excellence to higher education institutions in the United States that almost every institution alludes or mentions it in the institutional mission statement. After all, the quest for excellence is the *raison d'être* for the academy.

How society organizes for excellence in higher education varies, but every society is interested in the quality of its higher education. There are primarily three sources of influence on quality: the state, the academe, and the market. Of course, the combination of all the three exists in the United States. About five years ago, the Government of Ohio established a commission to review selected doctoral programs. The outcome of the work resulted in rating of programs. Those rated as number one were deemed excellent, number two had recommendations for modification, and three were advised to voluntarily discontinue their programs. This is an example of a state sponsored quality control.

However, apart from a one-time program review intervention, the state exercises quality control by demanding certain practices and data that influence institutional behaviors. Examples of this were quite vivid to me during my two months internship with university vice-chancellors in England. As compared to the United States, there is currently an extensive and elaborate quality apparatuses developed by the British Government through the work of HEFCE to collect and collate institutional data and to use this data for budgetary purposes. The goal is either to punish or reward institutions financially (motivate or demotivate institutional behaviors) based on the criteria established by HEFCE. Similar examples are few in the United States, but the state of North Carolina came very close to it.

Higher Education institutions themselves embark on continuous quality process, albeit, unheralded by their critics. Every progressive institution has an established procedure of program reviews, curriculum reviews, and teaching evaluation. Indeed, what institutions themselves do to ascertain quality turns out to be the most important and effective of all quality efforts and initiatives.

In a market environment, market forces adjudicate on matters of quality. Ultimately, in this environment, institutions with high quality survive and those with poor quality are supposed to extinct. However, those who understand higher education know that this is a simplistic assumption because higher education market is imperfect at best, it is a market where buyers are ill equipped to decipher the quality of what they are paying for, where mediocrity can reside ad infinitum besides excellence, and where trivial institutional information masquerades as quality.

Figure 4 below provides a summary of various mechanisms in use to address the issues of quality in higher education. Obviously time will not permit a full discussion of

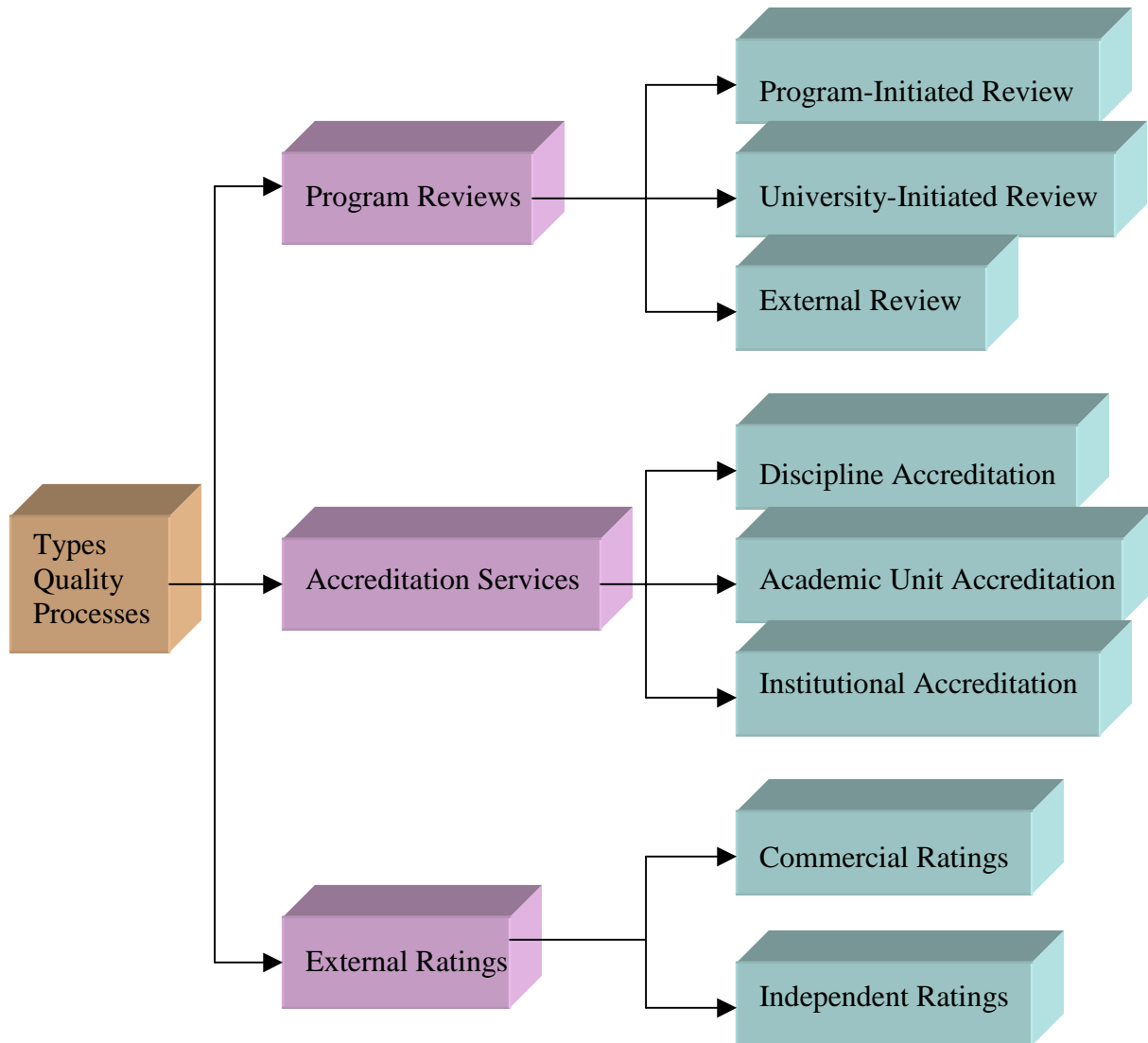


Figure 4: Types of Quality Process in Higher Education

their relative strengths and weaknesses.

There are generally three types of program reviews in higher education. An academic program, on its own, may initiate a review for the purpose of integration and articulation of courses. This type of reviews is common and often done in American

universities. The second is a university-initiated review, which typically comes from the office of the chief academic officer. The scope of this review may be limited to a few courses, to a whole college, or cover all the academic offerings of the institution. The third is an external review of selected programs. From time to time, it is not uncommon for governments to request a review of selected programs with the purpose of achieving system restructuring and rationalization. One thing is common with all reviews, the goal is to determine what needs to be eliminated, augmented, and or rewarded.

The second type of quality process administration involves accreditation services. Accreditation is a process of submitting program or institutional data to a body for the purpose of determining the credibility and authenticity of the program or institution. A discipline such as engineering, medical science, teacher education may be accredited by the body of scholars in that field, a body that is nationally or internationally set up to decide what constitutes acceptable level of training. Similarly, a whole college or a university may be subject to accreditation. For example, in the United States, the College of Education at Kent State University has just undergone an accreditation review by the National Commission on Accreditation of Teachers' Education (NCATE). The purpose of NCATE is to determine whether or not the College had the kind and quality of curriculum and courses, level of resources, and relevant operation to offer credible teacher education to the nation. Once this answer is determined to the affirmative, the College has power to issue certification that is believable by the public.

Recently, independent and commercial companies have developed interest in ranking and ratings higher education programs and institutions. A very popular one the pioneer of college ratings is the US News that releases its ratings annually. While college

leaders have continued to criticize these ratings as being simplistic, they themselves are quick to use them whenever the ratings are favorable and the ratings have continued to enjoy popularity among the public.

As explained above, effective higher education systems have many apparatuses to encourage a relentless pursuit of academic excellence. Some of the apparatuses are internal while others are external. Together they work to compel institutions to continue their search for greater and better quality of education.

The Principle of Accountability

If academic autonomy is a privilege that the state is morally obliged to provide to its higher education system in order to realize excellence, academic accountability is the response that institutional leaders are morally bound to offer to their society. In my previous writings I have noted that accountability simply means accounting for the ability promised and resources given. Accountability is important because the academic world demands that society provides the widest latitude for them to do their work and if this is granted, it is only morally incumbent upon them to assure the public of their probity, stewardship, and prudence. The failure to do this satisfactorily has aroused the recent public criticism backlash in the United States, Australia, and Great Britain.

Consequently the governments of these countries have experimented with different strategies with varying degrees of success. Some common policy desires are discernable from their efforts; the assurance that students are actually learning what society (employers) hope they should be learning, the assurance that faculty members are actually carrying workload similar to the rest of the society, the assurance that deadwoods among faculty cadre are not being unduly protected, the assurance that researchers do not

embark on mere trivial pursuits, and the assurance that society monies are being spent judiciously.

There are those who believe that the checks and balances require by democratic practices demand that the state, not the institutions, is best position to demand and certify that these assurances have been met. After all Brubacher (1990) [and Moberley (1949)] observed that “universities are academic guilds, and history reminds us that guilds, left to themselves, are subject to certain faults: lethargy, prejudiced conservatism, and intolerance of innovation” (p. 29).

However, there are those who believe that the academy itself is in the best position to offer these assurances and that the state government efforts to legislate accountability is nothing more than a waste of time. This is so because government officials can only rely on simplistic data whose veracity is highly debatable.

I believe the truth lies somewhere in the middle. I believe society has the right to demand minimum standards from the higher education leaders. However, I strongly believe that higher education leaders should exceed the required minimum standards in assuring the public and the world of their probity and prudence. Effective higher education systems, therefore, are characterized by a continuous search for and experimentation with accountability measures and processes to enhance institutional credibility and public confidence.

The Principle of Human Resources

Higher education institutions are labor-intensive organizations. Even with the best technology, human minds require interactions among themselves to learn appropriately. Consequently, a typical university in the state has hundreds of faculty and

hundreds of staffs and administrators. Given the number of people who work together daily to bring the best out of their institutions, human beings are the best resources that any institution can have.

The principle of human resources considers employees and faculty members as the most important assets the institution has and goes a step further to provide opportunity for personal and professional development and contributes to toward their self-fulfillment. Hiring is done to attract the best minds, program is put in place to retain these individuals and to reward them adequately. It is no secret that United States will pay anything to attract the best minds from anywhere we can find them. This is so because we know that every dime spent on people is an investment whose dividends we cannot even begin to quantify.

Effective higher education systems realize the values of their labor force and search for ways to unleash their talents and potentials. After all, no one can give his or her best under a repressive, unappreciative, and non-supportive environment.

The Principle of Competition

Irrespective of our positions regarding the role of market forces in higher education administration, we are all in agreement that every sector of our society faces some competition. Moldovan higher education institutions compete to some extent among themselves for resources and for the best students and whether the leaders of these institutions like it or not, their institutions compete with the rest of the world in attracting and keeping the best brains of Moldova. Brain drain is a powerful reminder that the intellectuals belong to a global market and governments that fail to understand the rules of this market and to participate effectively in it bring misery to their own countries.

Perhaps the best indicator of a government's achievement on higher education should be the number and quality of intellectuals that the government is able to attract and keep within the nation.

Effective higher education systems allow some competition among higher education institutions. In the United States, Great Britain, and Australia for example, governments are eager to inject market forces that will bring about healthy competition among their higher education institutions. Governments in these countries do not protect one institution against another, but rather assist institutions to compete freely. By so doing, the market forces prune out poor quality as much as possible.

The Principle of Environmental Stability

For any higher education to develop and thrive, the system must enjoy a reasonable level of environmental stability. The lesson from African countries and many developing countries strongly underscored the need for political stability for the intellectual community to flourish. The academic world is the first casualty where there is political upheaval. After all, Brubacher (1990) reminds us that violence is antithetical to the academy: "the use of violence, therefore, is not only the antithesis of reason but the outright repudiation of academic autonomy" (p. 42). Nations that fail to put their political affairs under control suffer poor economic growth, provide no incentive for creative higher education contributions, and stand to be relegated behind in a rapidly advancing world.

Challenges

Indeed, it is an exciting time in higher education. Never in life have we so many challenges and never before had these challenges been so complex, but never before had

we this inconceivably great opportunity to impact society and the whole world with what we do with and to our higher education systems. The challenge before you and the government of Moldova is working together to make your higher education relevant to needs of Moldova, a Moldova that must become a player within an increasingly open, competitive global society. The challenge includes how to educate the heart and equip the hand of the general populace in a manner that enhance the corporate welfare of Moldovans. The challenge before the state government is to provide adequate resources to enable the higher education achieve its mission.

While these challenges are many and certainly daunting, state and higher education leaders need not grope in the dark. Part of the benefit of globalization is the free flow of information and there is plenty of successful and failed higher education reforms around the world that these leaders can learn from. To aid in your reform efforts, I have provided a set of principles that I believe Moldova, indeed any country, can benefit from if applied to their higher education systems. The challenge is to translate these principles into goals to be achieved, guidelines that aid in decision-making, and criteria that can be used to evaluate progress over time. This challenge has several implications for higher education in Moldova. First, there is a need to create a national center or institute for the study of higher education issues. This institute should be independent of the ministry of education. The institute or center should collect and collate data on higher education matters and release periodic reports on progress based on the principles identified in this paper. Also, your country must no longer assume that successful intellectuals or politicians will automatically become successful leaders of higher education. Those charged with the responsibility of leading this sector must be

properly trained to do the job effectively. In addition, state leaders and politicians must refrain from playing politics with their higher education systems. The constraints on politicians force them to be short-term thinkers and a university that is designed to outlast them cannot be subjected to a short-term roller coaster ride. Lastly, I hope Moldova will continue to sponsor an annual international conference on higher education with the purpose of inviting scholars to continue this dialogue.

Conclusion

Great institutions do not fall from the sky, but they are rather products of insightful, progressive, thoughtful, informed leaders' indefatigable efforts both at the state and institutional levels. Great institutions are the reward of a society that understands the role of higher education in its civilization, a society that is wise to devote resources that will enable its higher education system rank among the best in the world, and a society that is courageous enough not to meddle unwittingly in the affairs of its higher education.

When I was a young man, my father once taught me the difference between wisdom and foolishness. I recalled him saying "knowledge makes it easier for us to accept the inevitable, but it is wisdom that teaches us to anticipate, capitalize, and benefit from the inevitable. One who swims against the tide, swims in vain, one who rides the tide, conserves energy to explore and enjoy what lays at the destination. The fool discerns not the difference between the evitable and the inevitable." You cannot fight against globalization and win. You cannot fight against freedom and be successful. You cannot fight against the principles expressed in this document and realize excellence in your higher education system. The challenge before Moldovan higher education system in the

21st century is raising, developing, or cultivating state and institutional leaders who are deeply appreciative of the inevitability of globalization, fully informed about the great importance and power of higher education in galvanizing society toward a better living condition, and totally committed to a higher education reform that takes advantage of the accumulated wisdom of higher education management world-wide.

References

- Barnett, R. (1997). *The idea of higher education*. Buckingham, UK: The Society for Research into Higher Education & Open University Press
- Brubacher, J. S. (1990). *On the philosophy of higher education*, 3rd Ed. San Francisco, Ca: Jossey-Bass.
- Gray, H. (1999). *Universities and the creation of wealth*. Buckingham, UK: The Society for Research into Higher Education & Open University Press
- Michael, S. O., & Holdaway, E. A. (1992). Entrepreneurial activities in postsecondary education. *The Canadian Journal of Higher Education*, 22(2), 15-40.
- Moberley, W. (1949). *Crisis in the university*. London: SCM Press.
- Weber, L. (1999). In Hirsch, W. Z. & Weber, L. E. (Eds.), *challenges facing higher education at the millennium*. Washington, DC: American Council on Education/Oryx Press, 3-17.

Educational reforms in the twenty-first century illustrate a move away from discovering how to be Dutch or English, and instead learning how to think of oneself as European. In primary and secondary education, language has been one of the most important issues. As there are eleven different official languages in the European Union, most European schools have decided to teach more languages and to begin teaching them as early as possible—usually in primary school. Some of the immediate challenges for Europe at the beginning of the twenty-first century include those surrounding educational mobility. Educational exchanges are sometimes not possible financially. Higher education plays a significant role in shaping our cultural identity. Yet, in this ever-changing world, it's important to consider what adjustments American universities are making-or need to make-to meet the dynamic societal requirements. Change is often challenging for large institutions, and academia is no different. The contributors to this issue of The Annals take a hard look at current changes in higher education and propose further modification for the American university in the coming decades. The issue opens with a blueprint for change that looks at the impact of current social c Higher education plays a significant role in shaping our cultural identity. Yet, in this ever-changing world, it's important to consider what adjustments American universities are making-or need to make-to meet the dynamic societal requirements. Change is often challenging for large institutions, and academia is no different. The contributors to this issue of The Annals tak Higher education plays a significant role in shaping our cultural identity. Yet, in this ever-changing world, it's important to consider what adjustments American universities are making-or need to make-to meet the dynamic ... Start your review of Higher Education in the Twenty-First Century. Write a review. No matching reviews.