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**DIRECTORATE FOR EDUCATION
EDUCATION COMMITTEE**

Meeting of the Education Committee at Ministerial Level

**HIGHER EDUCATION: QUALITY, EQUITY AND EFFICIENCY
SUMMARY BY THE CHAIR**

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HIGHER EDUCATION: QUALITY, EQUITY AND EFFICIENCY SUMMARY BY THE CHAIR

Marietta Giannakou, Minister of National Education and Religious Affairs, Greece.

Conclusions

1. Higher education plays a vital role in driving economic growth and social cohesion. It has grown dramatically -- with more than 17,000 higher education institutions in the world. At our meeting we agreed on a new task, to go beyond growth, by making higher education not just *bigger* but also *better*.

2. We discussed how to meet this challenge. Every country is different, and there were many points of view. But we agreed that a major programme of reform is needed, giving more emphasis to outcomes in particular. Reforms are needed in six areas:

- *Funding.* Some countries, particularly in Europe, need to invest more in higher education; for others the main issue is to make better use of existing funding. Reform will help to develop new sources of funding. A number of countries remain committed to higher education without fees for students, while others now accept the OECD Secretariat view that contributions from graduates to the costs of study can be an effective way of increasing resources, balanced by measures to support students from poorer backgrounds.
- *More equitable education.* Access to higher education needs to be widened to benefit all social groups. This is a real challenge for school systems, as well as higher education. Action is therefore needed throughout education systems to tackle the problem.
- *A clearer focus on what students learn.* We need to develop better evidence of learning outcomes. At our meeting the OECD Secretary-General offered the assistance of the OECD in developing new measures of learning outcomes in higher education, drawing upon its experience with the PISA survey.
- *Promote responsiveness and diversity.* Reforms to improve incentives -- to make institutions more accountable for quality and outcomes -- are needed in many countries. We want to balance accountability for outcomes with a loosening of regulatory controls, and we intend to encourage institutions to pursue diverse missions, responding to the needs of students as well as a wide range of other groups.
- *Research and innovation.* We all recognize the capacity of research and innovation to drive growth in knowledge-based societies. We recognize the twin challenges facing higher education systems -- supporting world-class research, *and* delivering its economic and social benefits both locally and nationally.
- *Migration and internationalization.* We discussed how students, teachers and researchers are increasingly studying and working outside their countries of origin. Most OECD countries are

affected, some greatly. Responses include, for example, the Bologna process in Europe. Countries need to look at immigration policies, as well as higher education policy itself, to develop coherent responses.

3. We all agreed that higher education cannot escape major change. Sometimes change will be difficult. Our meeting here, and these conclusions, represent a clear signal of our determination to lead the necessary changes rather than be driven by them.

Opening plenary session

4. Reforms in higher education should focus on quality, social and economic effectiveness and equity, said Mrs. Marietta Giannakou, Minister of National Education and Religious Affairs, Greece. Higher education has a dual mandate: on the one hand it should promote democracy, tolerance and social cohesion, on the other it fuels economic development through the creation of knowledge and skills. Reformed higher education should be a partnership between three key pillars - the state, (guaranteeing access for all), the social partners, and the knowledge-based economy and society. She also highlighted the growing internationalisation of higher education – through instruments like the Bologna process – and indeed through the work of the OECD.

5. The urgent requirement for reform was underlined by Mr. Angel Gurría, Secretary-General of the OECD. Higher education, having grown *bigger*, now needs *better* quality. The OECD believes that graduates should contribute to the cost of their tuition – balanced by measures to support students from poor backgrounds. He argued for a better appreciation of good teaching, and stronger measures of teaching quality – and appealed for a mandate for a “PISA for higher education” led by the OECD, and stronger measures of institutional accountability, balanced by autonomy and diversification in institutional missions.

6. Reports were received from the recent G8 meeting of Education Ministers and from consultations with the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC). The G8 meeting issued the *Moscow Declaration* which stresses the need for education to support innovation, endorses UNESCO’s targets for education for all, and underlines the need for policies to respond to growing migration. Both BIAC and TUAC underlined their commitment to higher education as a key element in economic and social development. TUAC gave particular emphasis to open access, while BIAC emphasised the involvement of industry and the economy in the sector.

Plenary 1 – The purposes, governance and sustainable provision of higher education

7. The discussion was opened by Mr. Kenji Kosaka, the Minister of Education, Culture, Sports, Science and Technology, Japan. He discussed his country's initiatives to widen national university autonomy, to strengthen quality assurance, and to increase the international research competitiveness of its universities.

Points of agreement

Ministers:

- Affirmed their commitment to widen higher education participation to promote social inclusion and expand lifelong learning.
- Considered that funding and governance reforms are needed to enable higher education institutions to achieve their missions in a context of limited resources.
- Accepted that a wider diversification of institutional profiles is needed to meet the full range of national needs and individuals' aspirations.
- Recognised that higher education is ever more global and systems have increasingly to take account of international developments, including the mobility of highly skilled workers.
- Acknowledged possible OECD assistance in developing information about learners' performance and linkages to employment (drawing on OECD's experience with PISA and its "Jobs Study").

Points of debate

Ministers:

- Noted a variety of funding approaches. Some maintain full public funding, many encourage a diversity of funding streams and others have transferred some costs to students.
- Addressed institutional differentiation. Many have separate vocational education and higher education sectors. Some are dominated by undifferentiated public universities. Others have extensive private provision.
- Were clear about the importance of strengthening the focus on quality. However, they pointed out that higher education systems are highly diverse, and so are the quality expectations of its many stakeholders.

8. Hon. Julie Bishop MP, Minister for Education, Science and Training, Australia, concluded by stressing that higher education has wide social responsibilities. To achieve these, nations must carry out three "balancing acts": funding (between taxpayers and graduates), governance (between autonomy and accountability), and impact (between globalisation and local needs).

Plenary 2 - Improving the quality, relevance and impact of higher education

9. The discussion was opened by Mrs. Margaret Spellings, Secretary of Education, United States. She observed that quality, accountability, and affordability are key concerns of the larger OECD community and of the US Commission on the Future of Higher Education.

10. In his response Mr. Manuel Heitor, Secretary of State for Science, Technology, and Higher Education, Portugal, suggested that higher education systems be understood as systems of competence building across the entire adult life span.

Ministers:

- Expressed shared concern about disparities in entry and success in higher education, and noted that these appear to be based in early learning, at home and in schools. They agreed that equity policies and analysis must focus here.
- Noted that internationalisation of higher education can provide competitive pressures and benchmarking that contribute to quality improvement.
- Recognised that key stakeholders — including students, families, and governments — must have better information about topics such as quality and cost to make decisions and hold institutions accountable for their performance. They noted that students must play a key role in assessing both quality and relevance of learning.
- Expressed agreement that higher education should be responsive to economic and social needs, and that graduates should have skills suited, among other things, to working life. They also voiced concern about a possible mismatch between labour market needs and student qualifications.
- Agreed that research should be geared to the need for innovation and be relevant to the problems of the wider society. This requires, for example, suitable policies for knowledge and technology transfer, and research funding systems that are linked to these outcomes.
- Identified areas where the OECD can play a key role for member countries. These include measuring learning outcomes, and hosting international dialogue concerning labour market outcomes and international benchmarking.
- The Secretary-General concluded by offering some observations on the role of the OECD with respect to these issues. He acknowledged that opinions varied widely concerning the effects of internationalisation, and indicated the OECD would deepen its analysis of the topic, working closely with UNESCO. He added that the evaluation of national higher education systems through the examination of outcomes merited attention, and that the success of any work in the area would rely upon the engagement of member states.

Theme A: Who should pay for higher education?

11. Mr. Bill Rammell, Minister of State for Lifelong Learning and Higher Education, United Kingdom, outlined the challenge: additional resources are needed to support expanded participation in higher education, but tax increases are not a likely solution. Thus certain countries are forced to choose between limiting enrolments in publicly funded systems, expanding opportunities within the envelope of available public resources by spreading them more thinly, or diversifying funding.

12. Ministers agreed about the challenge; they underlined the importance of identifying all barriers to participation --not just fees, but also cost of living, disabilities, and family responsibilities-- so as to ensure remedies to expand resources and also improve equity of higher education.

13. Ministers agreed that remedies involving introduction of fees are politically sensitive; European Ministers also noted signs of diminished political support for no-fee regimes if it meant subsidising higher education for students from other European Union countries.

Points of debate

14. Ministers had differing opinions about

- the importance of fees as a barrier to participation in higher education;
- the extent to which public support of higher education is regressive if tax regimes are highly progressive and where there are other welfare benefits;
- how to adjust financing in a way that preserves/strengthens incentives to students to complete their studies quickly, and ensure accountability of institutions.
- whether increased private funding would lead to reduced public funding.

15. It was proposed that OECD could help resolve some of these issues by examining:

- The impact of student fees and other costs on who participates in higher education;
- Effect of tax and welfare benefit systems on who benefits from higher education, and what that implies for who should pay;
- Barriers to participation.

Theme B: Measuring the quality and impact of higher education

16. Opening the discussion, Mr. Gwang-Jo Kim, Deputy Minister of Education and Human Resource Development, Korea, noted that the validity of judgments about the quality of higher education remained contested and highlighted the need for more discussion on standards and methods to be used for defining and evaluating quality in higher education. In particular, while various indicators for the quality of research are available, much more would need to be done to establish appropriate measures for the quality of teaching, to avoid bad teaching going unnoticed and good teaching unrewarded. He underlined that measuring the quality of higher education outcomes was needed both to justify the allocation of public resources and the effectiveness with which they are used by increasingly autonomous institutions, and also to pursue enhancements in the quality and relevance of educational outcomes more broadly and systematically, so that higher education institutions serve economies and local communities effectively.

17. Participants reviewed existing arrangements for quality assurance at national levels. They saw more transparency in higher education outcomes as a key driver for improving institutional performance, but noted that knowledge on standards and methods that can be used to define and evaluate higher education quality was just beginning to emerge.

18. Participants in the working group invited the OECD to explore ways to:

Reduce the knowledge gap about the effectiveness of higher education governance and finance in relation to performance

19. This would require a better articulation of the purposes of higher education as well as agreement on standards and methods to be used for defining the quality of higher education outcomes. This, in turn, would depend on a better assessment of the competencies that would enable individuals to compete in a global economy. Significant challenges would lie ahead in measuring such competencies validly and reliably. Participants also noted the differences in the information needs on the quality of higher education outcomes of providers, governments and employers.

Build on the success of PISA, to explore similar methodologies for assessing the value higher education institutions add in terms of student learning outcomes

20. Work would need to be undertaken in ways that include multi-dimensional criteria for educational quality to reflect the diversity of purposes, consumers and providers of higher education within and across countries. Participants underlined the need to strengthen benchmarking processes in ways that go beyond the ranking of institutions. Assessment systems need to go beyond measurement and enable both governments and the institutions themselves to improve higher education quality in a dynamic process. Quality has many dimensions, and extensive piloting would need to be an essential part of such methodological development.

Assist Member countries in sharing information on the use of the UNESCO/OECD guidelines on quality assurance

21. Participants noted that related work was ongoing in other international organizations and processes, notably the Bologna process, including the European Union and UNESCO.

Theme C: Higher Education's Contribution to Research and Innovation in a Global Knowledge Economy

22. In generating new knowledge, higher education institutions make important contributions to innovation, but more can be achieved in many countries. Several challenges for Education Ministers were noted by participants. After a stimulating presentation by Mr. Gilles de Robien, Minister for Education, Higher Education and Research, France, the following conclusions were drawn:

1. **Financing for higher education research needs to be strengthened.** More public funding is required, but much can also be achieved by building partnerships with the business sector.
2. **Links between science and industry need to be strengthened:**
 - By the creation of centres of excellence – and a greater focus on quality
 - By a variety of other channels, such as spin-off companies or members from the business sector in university boards
 - By looking beyond industry – services are of growing importance for innovation
 - By fostering demand for science in the business sector: demand for scientific research is often limited in small firms
3. **People need to be given the tools and skills to adapt to change:**

- By fostering diversity in education and training, such as vocational diplomas that are closer linked to the world of work.
 - By making universities more attractive as employers, which can also help reduce brain drain
 - By fostering broad education and innovation in teaching, to help encourage creative thinking and absorb new knowledge
 - By dealing with the growing need for mobility
4. **Policy should not ignore the social side of higher education research:** the humanities and social science have an important role to play
5. The OECD should help, by:
- Strengthening the evidence base – on the impacts of education, and on the links between education, innovation and growth – as it is not always clear how much higher education institutions can and should contribute to innovation
 - Examining developments beyond the OECD – China and India
 - Providing a platform to compare experiences and approaches

23. Participants also discussed international accreditation and harmonisation of rules, but reached no conclusion on these points.

Challenges and opportunities of the global market for education (working lunch)

Points of agreement

24. The internationalisation of higher education can benefit both sending and receiving countries and can offer major development opportunities to people around the world.

25. Conditions relating to quality and relevance of cross-border education need to be fulfilled in order to realise the potential benefits in all countries. These include:

- Foreign provision which meets the economic, social and cultural needs of the receiving country
- Protection of learners from low-quality provision and qualifications
- Qualifications which are internationally valid and portable
- Strong quality assurance and accreditation institutions in the receiving countries.

26. Conversely, the internationalisation of education might involve the risk of a “brain drain” for sending countries.

Points of debate

27. Some countries supported the development of internationally accepted standards of quality control, while others felt that this responsibility should be left to national institutions.

28. The inclusion of basic education in the scope of GATS has caused concern in some countries.
29. Some countries recognise that they need to take steps to ensure that their need for highly-skilled labour is not fulfilled at the expense of developing countries. A number of countries wish to help developing countries build their own educational capacity further.
30. The loss to sending countries when they lose highly skilled people permanently might be reduced as a result of more scholarships or larger remittances sent back home.

Main messages

31. There is a need to advance work on the development of an international framework that national authorities might use to protect students and other stakeholders from low-quality provision and disreputable providers. To that effect, the Guidelines for Quality Provision in Cross-Border Higher Education, jointly developed by the OECD and UNESCO can play an important role.
32. Reliable information on higher education should be offered to students when they are outside their home country or by foreign providers in their home country. The web portal to be developed by the UNESCO was welcomed.
33. While higher education helps economic and social development in poor countries, there is a need to help those countries in the development of their capacity as regards not only quality assurance and qualification recognition but also educational and research capacity.
34. Efforts should be made to minimise the risk of unilateral brain drain and to aim instead at a mutually beneficial brain circulation.

Forum on the future of higher education

35. The Forum continued the tradition of involving a wider audience and civil society in ministerial meetings. Speakers from South Africa, Japan and the Netherlands gave different angles on the key themes:
36. On the '*social dimension*' of higher education, Dr Mala Singh
- challenged 'economic responsiveness' as an overly determinative factor shaping higher education policy
 - placed tolerance and concern for social justice alongside employability and innovation as outcomes to be measured, introducing performance indicators
 - suggested higher education institutions undertake audits of community engagement
37. *On knowledge structures*, Professor Komiyama outlined Tokyo University's bold strategy for coping with knowledge explosion and its compartmentalisation:
- IT-supported networks for linking disciplines
 - top-class overview lectures linking science and liberal arts
 - building Asian regional partnerships.
38. Professor Ritzen denied that higher education growth is flattening:

- demand will rise by 25 million worldwide as a function of growth
- global student mobility will drive up quality
- university responsiveness is low; to raise it requires less governmental regulation.

39. He strongly supported the Secretary-General's call for an international assessment of student performance in higher education (a higher education PISA); and new work on affirmative action.

40. Debate focussed on

- the balance between regulation and incentives
- support for cultural diversity in a context of English-language globalisation
- appropriate forms of outcome measurement to support diverse objectives.

41. The OECD scenarios prompted debate on possible and desirable futures of higher education systems:

- No single paradigm will or should emerge, but blends of elements from different scenarios
- We should avoid polarisation, e.g. universities can serve local/regional as well as international needs
- We need complex systems thinking to cope with the future.

42. Professor Sokratis Katsikas concluded by defining key university characteristics: autonomy (with accountability); blending teaching and research; academic freedom (not to be abused); and internationalisation.