



SALZBURG SEMINAR

March 11, 2002

Joyce Moock
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Rockefeller Foundation
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Dear Joyce:

I am pleased to submit the enclosed report to the Rockefeller Foundation on the Salzburg Seminar special session titled, *Higher Education in Emerging Economies: Patterns, Policies, and Trends into the 21st Century*. The session held July 7 – 10, 2001 convened 32 representatives of foundations and higher education to review trends affecting emerging economies. The session was a collaborative effort of the Salzburg Seminar, Rockefeller, Luce, Carnegie, and Ford foundations.

Our report consists of a short narrative description, financial report, and participant biographies. As you know, Higher Education Program Director, Jochen Fried was unable to attend all of the session due to illness. We regret that our report does not fully cover or analyze the proceedings but we trust that your participation, and that of the other selected participants, provided the appropriate opportunities and experience that you sought.

The Seminar's objective was to convene a forum for discussions on higher education and policymaking outside of the usual conferences and among a select group of participants. That the objective was met is due to your superb direction in organizing the topic, assisting with the invitations, and providing financial support. We are deeply grateful.

With best wishes,

Cordially,

Olin Robison
President

OR:kh

Enclosures

Salzburg Seminar Special Session

12/31/01

Higher Education in Emerging Economies

July 7 - 10, 2001

FINANCIAL REPORT

SPECIAL SESSION: 3-Day Session	Session Budget	Rockefeller Budget	Rockefeller Contribution
PROGRAM DEVELOPMENT (Program, Admissions/Travel, Administration, Fundraising, Finance)	35,000	25,000	25,000
PROGRAM SUPPORT (communications, office expenses and equipment, publications)	20,000	15,000	15,000
CONFERENCE CENTER SERVICES (facilities management and professional staff)	15,000	5,000	5,000
SESSION RESOURCES (computers, materials, library, cultural activities, receptions, incidentals)	5,000	5,000	5,000
Program subtotals:	75,000	50,000	50,000
ACCOMMODATION and MEALS (\$200x 4 nights x 30 participants)	24,000	-	-
TRAVEL (22 participants @ \$1200)	26,000	-	-
TOTALS:	125,000	50,000	50,000

I, Wendy K. McKee, Assistant Treasurer and Chief Financial Officer of the Salzburg Seminar, certify that the above is a true and correct accounting of the expenditures of funds under the terms of this grant agreement.

Wendy K. McKee

Wendy K. McKee

3/12/02

Date

DIRECTOR'S REPORT

SALZBURG SEMINAR

Higher Education in Emerging Economies: Patterns, Policies, and Trends into the 21st Century

July 7-11, 2001

With the advent of the global knowledge economy and the growing realization that knowledge is replacing physical capital as the source of present and future wealth, the role of higher education (HE) has been significantly strengthened. This is true not only for the highly industrialized countries, but also for emerging economies. Many national governments and international donors have come to understand that HE is not a luxury but that it is essential to national social and economic developments. The re-appraisal of HE is marking a major policy shift reversing the emphasis on primary and secondary education that characterized the past decades.

However, HE in most developing countries is in a dire state, and the needs to overcome present deficiencies seem overwhelming. The Salzburg Seminar Session aimed at identifying those aspects of HE in emerging economy necessary to create the basis for systematic analysis of HE development and the formulation of sound public policy. The focus of the meeting was on how best to increase the attention given to augment and reinforce in-country capacity, both human and institutional, for original research, analysis and public policy debate.

Thirty-four senior-level HE experts attended the four-day invitational session from twenty-two countries embracing a broad variety of different historic, professional and cultural experiences. As one of the participants stated in his evaluation of the meeting: "The discussions were of high caliber, frank and constructive, and accurately reflected the diversity that exists worldwide."

The Session was organized around panel discussions on the following topics:

Panel I, *"Global Forces Changing the Context in which Higher Education Operates"*,

Panel II, *"National Forces Affecting the Evolution of Higher Education: Emergence of Mass Systems, Institutional Finance and National Accountability, Labor Market Demands"*,

Panel III provided insights in a rich variety of comparative *"Cases of Shaping and Reforming Mass Systems: Seize, Differentiation, Steering and Governance"*

Panel IV, *"Human Capital and Institutional Analytic Resources for Original Research and Policy Debate"*

Panel V, *"The Role of International Agencies in Shaping Higher Education Policy"*.

Panel VI, *"Building Intellectual Capital for Higher Education Analysis and Policy Making: New Skills, New Thinking, New Alliances"*

A major goal of the Session was to understand what were the broad trends and influences affecting HE around the world. There was consensus that HE systems and institutions

everywhere have undergone substantial transformations and reforms within the past few years, and that this trend will no doubt continue for the foreseeable future. Some key factors driving this change are affecting all universities throughout the world albeit in different contexts. These include:

- Devolution of authority and administrative decentralization
- The changing demographics of the student population
- The impact of new technologies giving rise to alternative types of HEIs and new models of higher learning
- An increased trade in educational and training services across international borders
- New forms of competition for prospective students as new ("virtual," for profit and non-profit) providers enter the educational market and corporate "universities" are proliferating

Further, the Session sought to examine the impact of social, economic and political transformations in various countries and regions as they influence the evolution of HE. While the presentations and discussions showed striking similarities across national higher education systems, the differences remain profound. National plans for expansion, cost sharing, quality enhancement, and suitable governance will surely result in many unanticipated consequences. Among the most prominent forces and effects, the following were mentioned:

- An increasing demand for access to post-secondary education
- Restricted growth of public funding and, as a consequence, the need for public institutions to diversify their funding sources, including private sources (e.g., tuition fees)
- Changing training and re-training needs as institutions seek to develop an appropriate workforce to meet the demands of a globalized economy ("lifelong learning")
- The deficits of equity and the inequality of access to universities

The experience of participants demonstrated different approaches in response to rapidly changing societal needs. Obviously, shortage of resources (financial, human, intellectual etc) is of overriding concern and a limiting factor of HE development in all countries that undergo the transition from an elite to a mass system of HE. But it became also apparent that there is a common set of policy instruments which is used in most of these countries to maximize the potential of existing resources and to handle and regulate the expansion process, including

- Promoting and facilitating the diversification of institutional missions within the given tertiary system, making room for more differentiated HE curricula and degree structures in keeping with the labor market as well as society as a whole
- Establishing procedures for quality assurance and continuous self-assessment to counteract the debilitation of the teaching quality due to rising student numbers
- Installing a comprehensive accreditation regimen for HE institutions, thus creating common standards and affording for more transparency of the HE market.
- Designing sensible arrangements of "cost-sharing" compensating the lack of public resources to finance quality mass HE systems

Participants also reviewed capacities (human and institutional), types and practices for systematic analysis of policy issues in HE and looked for 'best practice' models to strengthen the capacities in developing countries. Participants agreed on the vital importance of providing evidence on how HE serves the population and the economy of a country and the need for HE

strategies on how to improve this service. It was agreed that there is a need to augment research capacity and one means would be to build regional HE centers.

The role of transnational banks and bilateral agencies in trying to facilitate the deep economic, political and social changes that are taking place in developing countries was reviewed. Discussion focused on the roles played by these agencies in providing funding, expertise, models, and ideologies for the future of HE.

Conclusion

Rather than being symptoms of a crisis, the challenges faced by HE highlights the key role of HE in the economic and social development of every society. But it is clear that the benefits and the full potential of higher education cannot be realized unless it is being reformed and constantly adjusted so as to meet the needs and demands of the new knowledge society.

Quotes from participants:

"It was truly an honor to participate in the seminar and it was an exceptional learning experience for me. One way to judge an experience like this is whether it changed my understanding of issues or opened my eyes to issues in new ways. It did both. I have a far deeper understanding of the issues facing higher education around the world -- especially in Africa, Latin America, Indonesia and the Philippines. That the participants could not agree on some points was a strength -- not a weakness of the process."

Participant from the U.S.

"Throughout the four days the rhythm of the symposium was just right. The quality of the discussion improved by the hour. The opportunity to meet such fine spread of new people, to take time to reflect, and especially to think new thoughts, was extraordinarily valuable. The after impressions are strong and very positive, and I expect will be rather long lasting."

Participant from Australia

"A highly successful seminar program. The discussions of high caliber, frank and constructive, and accurately reflected the diversity that exists worldwide."

Participant from the U.S./Hong Kong

"The meeting in Salzburg in my opinion was successful in encouraging a cross fertilization of very good ideas and high level thinking. The analyses of issues were sharp and helpful in understanding some of the contemporary problems in higher education around the globe. Salzburg in itself is inspiring and for meeting of this class I cannot recommend a better place."

Participant from Indonesia