

Legislation and Social Policy in the Higher Education System

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Abstract

In recent years, the Israeli education system has undergone a revolutionary change. The absence of a clear, uniform approach to higher education triggered the current paper, which focuses on an issue that is at the core of the public debate on higher education: Should the central agency or government intervene and regulate higher education? A review of the development of Israel's higher education, with a focus on the regulation of higher education, is followed by several global examples of the role of regulation, supervision, and quality assurance in contemporary higher education policy. The paper concludes with thoughts on Israel's current higher education policy and several directions for future development.

Keywords: Higher education policy, Regulation, Quality assurance

1. Introduction

In recent years, the Israeli education system has undergone a revolutionary change, which has been called a genuine metamorphosis (Gur-Zeev, 2005). The changes in this field are reflected in multiple aspects of Israel's higher education system: a sharp rise in the number of students, the proliferation of accredited institutions, legislative changes, changes in regulatory policy, including changes in the defined goals of higher education. These drastic changes have sparked a series of pointed public debates which all touch upon a key issue: the connection between supervision of higher education and academic freedom, reflected in an unrestricted academic "market."

Sine the 1980s, globalization has been accompanied by competition, merchandising, market forces, free markets, affecting every location it reaches. While traditionally considered the site of freedom of thought and freedom of research (Volensky, 2005), protected from society's economic changes (Eckel, 2007), higher education is now visited by capitalist reasoning, veneration of the principle of utility, and reliance on the invisible hand as compasses for action, all of which threaten to gnaw at the quality of higher education. The knock on the academic door occurs at a different pace in different parts of the world.

In Israel, a member of the global village, these changes have proceeded since the early 1990s, and the end is nowhere in sight. We believe that the massive transformation is at least partially due to a lack of uniform or clearly-defined policy by the relevant agencies. In many cases, higher education policy is largely a directive to "sit and do nothing."

The absence of a clear, uniform approach to higher education triggered the current paper, which focuses on an issue that is at the core of the public debate on higher education: Should the central agency or government intervene and regulate higher education? This principled issue is accompanied by many related questions, such as whether existing academic supervision is appropriate, and if so, to what extent? If a liberal market policy is adopted for higher education in Israel, to what extent should market forces be allowed to act? What is the price of such a decision? Is it possible to maintain excellence without compromising access to higher education? In the current study we describe the development of higher education policy in Israel and point to policy changes which we believe are necessary if we are to achieve our dual goal of increased access and quality.

1.1 On regulation and globalization – Changing public policy

Broadly understood, regulation is a series of rules and regulations that regulate the exchange of goods and services in society (Moran & Wood, 1993). The term "regulation" may be interpreted as supervision, intervention, control, or organization of a certain action. In the governmental context, regulation refers to actions

that regulate operations in the government's sphere of authority; countries differ from one another in the extent, the design, and the application of regulatory practices (Arbel- Gentz, 2003).

The term regulation originated in the field of economic theory (Stigler, 1971), which defines protection of the public interest as the major goal for regulation (Waters & Moore, 1990). Historically, the United States is considered the first country to adopt governmental regulation through mechanisms that supervise the free market. As early as the beginning of the 20th century, the United States, icon of the free market, recognized the need to supervise the markets in order to stabilize market forces, supervise prices, and define minimum conditions for participation in markets. These goals have changed over time, and today regulation is designed mainly to protect public health, safeguard against hazards, and prevent exploitation of society's weaker groups (Sunstein, 1990).

Since the 1960s, the change in the subjects of regulation is closely associated with growing globalization (Arimoto, Huang, & Yokoyama, 2005), the socio-economic process that has generated an ideological and paradigmatic revolution all over the world, spreading the principle of competition, and leading to liberalization and privatization of the markets. As the status of the welfare state declined, Keynesian economics, supporting government intervention and supervision of the markets, has cleared the stage for a "weak state," one which allows the invisible hand to dictate economic reality.

However, after many years of complete confidence in the powers of pure market forces and a society and economy navigated by the invisible hand, the "new regulatory state" has taken the stage. The new regulatory state exists in widespread geographic areas, including the United States, Great Britain, and other European states, and may exist within states that are not regulatory by definition (Moran, 2002). The regulatory state is an improved nation state, a state which waives bureaucratic policies and the principle of Welfarism in favor of public supervision based on the principle of separation in public policy. This separation drives a wedge between policy makers in various departments, and policy executors, as it structures a formal distinction between consumers (the government) and suppliers (the market), and establishes independent institutions that act as the government's long arm in order to affect the market in the name of the public interest (King, 2007).

As a result of globalization, concepts from the field of economic capitalism have penetrated the ivory towers of universities and affected all areas of their existence. "Globalizing political economy affects the way universities are governed, discussing practices such as managerialism, accountability, and privatization which represent a shift toward business values and a market agenda" (Currie & Newson, 1988, p. 1).

These effects, transforming knowledge into a "commodity" (Marginson, 2009), increased competition and access in higher education, but also created an urgent need to ensure the quality of the system's products, protect the status of higher education, and avoid an "inflation" in academic degrees. In the context of higher education in Israel, the question is whether similar regulatory mechanisms are in place, and if so what are they and how do they operate? Does Israel contain within it a regulatory state? To answer this question, we present a history of the higher education system in Israel, with specific reference to regulatory mechanisms.

1.2 A historical view – The development of Israel's higher education system

1.2.1 Independent self-regulation

Even before the establishment of the State of Israel, higher education was a high priority for the local Jewish community, and two of the finest institutions of higher education were established during that period: the Technion (in 1925) and the Weizmann Institute (1934). Their establishment reflected the significance of higher education for the state-to-be: "The State of Israel must set itself a goal: to provide elementary, high school, and higher education to the entire young generation without exception, whether their parents are affluent or poor, whether they come from Europe or from Asia and Africa – this means, giving each young boy and girl in Israel an academic education..." (Ben Gurion, quoted in Michaeli, 2008).

Although most areas of life had a quasi-military nature at the time (Gal-Nur, 1985), the academic institutions conducted themselves according to an independent self-regulatory regime (Menahem, Tamir, & Shavit, 2008). While satisfactory before the establishment of the State, these arrangements gave rise to concerns in view of the political nature imposed on the academic institutions: In the State's early years, most budgets were controlled by the government, and repeated attempts were made to ensure that academic institutions became "relevant" and to impose bureaucratic supervision (Gal-Nur, 2009).

1.2.2 Supervised self-regulation

Government intervention in the academe was prevented by the enactment of The Commission of Higher Education (CHE) Law in 1958, which put an end to the diverse proposals that sought to impose government supervision of higher education in Israel. The Law regulated the establishment of the Commission of Higher

Education, which was declared a “government institution for matters of higher education in the State.” Its role included accreditation, examination of curricula, and allocation of public government funds to all institutions of higher education.

The Commission comprised 25 members who had no political affiliation, 17 of whom were from the academe. The Commission’s goal was to act as a buffer between the government and the self-administered institutions of higher education (Gal-Nur, 2009). From the mid-1970s, the CHE was joined by a second entity in charge of budgetary aspects of higher education: the Planning and Budgeting Committee, which acted as the Commission’s executive arm and was responsible for budget allocation, based on CHE-defined eligibility criteria.

The joint actions of the CHE and the Planning and Budgeting Committee created a public regulatory system that allowed the universities to operate independently, under supervision of state agencies. Universities benefited from self-supervision, while the CHE has supreme administrative responsibility for Israel’s higher education system, and functioned as the academe’s gatekeeper, exclusively limiting access to higher education, and affecting the structure of the market through the budgets allocated to each institution (Menahem, Tamir, & Shavit, 2008). This policy, also known as the “uniform policy regime” continued until the reform in the higher education system in the early 1990s.

2. Higher Education Reform as a Response to Change

Economic, social, political, and demographic changes in the late 1980s led to a change in the approach to public services. The rising power of the new right and neo-liberalism called for awarding greater power to market forces to redesign public services in general, and education in particular (Volensky, 1994). This call was also voiced in the Israeli Knesset, which, in Israel Government Resolution 3694 (of 1994) approved the expansion programs of several accredited institutions.

At the same time, operations of non-funded academic institutions were permitted, including the establishment of local extensions of foreign universities (Bernstein, 2002). In 1995, Amendment No. 10 to the Higher Education Law provided that colleges would also be permitted to award academic degrees and would constitute part of the higher education system. According to the Law, a college was defined as “a higher education institution that is not a university and is accredited to award its graduates recognized degrees in one or more of its units, or has been granted a certificate of permit” (Commission of Higher Education Law, Amendment No. 10, 1995).

These legislative reforms created diversification, privatization, and internationalization of Israel’s higher education system (Menahem, Tamir, & Shavit, 2008). Diversification was reflected in the three-fold increase, compared to the 1980s, in the number of public non-research colleges eligible for public funding. Privatization was created by permitting private institutions (supervised but not funded by the CHE) to award academic degrees. Internationalization was reflected in the penetration and proliferation of extensions of foreign universities into the Israeli higher education system and their accreditation. Before 1998 (Amendment No. 11 to the Higher Education Law), these extensions were not subject to local supervision of any kind. .

In response to the new legislation, which marked a paradigmatic change in the regulatory regime at the time, newly established (funded) public colleges and (non-funded) private colleges, as well as new extensions of foreign universities, increased in number, and the number of students increased enormously. In the late 1980s, only 8% of all 20-29-year-olds were enrolled in undergraduate programs, and the number of students at colleges, relative to those enrolled in universities rose steadily, especially in vocationally oriented college programs that had value in the job market. This trend accelerated further after the CHE permitted colleges to offer research-track graduate degree programs (Zussman, Forman, Kaplan, & Romanov, 2009). As in 2009, of the 245,000 students in Israel, 64% were enrolled in colleges (CBS, 2009).

3. Higher Education Policy – Examples from the World

The increasing prominence of higher education on the public agenda and in the public limelight since the 1990s is not accidental. Rather, this development mirrors the trend of global massification of higher education (Kim & Lee, 2006). The enormous growth in the demand for higher education has created pressure on governments to resolve the issue of accessibility, and at the same time, highlighted the need to supervise the higher education system. This struggle over the future of higher education (Gur-Zeev, 2009) is mainly an ideological one, in which one side wishes to impose market forces on academic life, while academe wishes to preserve existing regulatory mechanisms.

At the policy level, the State must make determinations on two main issues: access and funding. The relationship between these two variables is relatively complicated. Extending access increases the number of students but

imposes a greater economic burden on the State, forcing the State to open the market to private institutions. As a result, access is increased and funding issues are resolved, yet differences in quality among the institutions are created. This is the situation in the United States, where private universities and public colleges exist alongside each other: While accessibility is great, there are genuine differences in quality between educational institutions and their products (Eckel, 2007).

A second option is to limit access through selection by fully funded institutions. This creates a smaller system of higher education with restricted access, yet the system, such as that in China or the CIS, is elitist and maintains high standards (Zhong, 2006).

Most countries in the West tend to follow demands for greater access as they open the higher education market to competition (Kelchtermans & Verboven, 2008; Kim & Lee, 2006), and democratization and privatization develop concurrently to the imposition of government supervision (Beerckens, 2008; Douglass, 2007).

The *scope of supervision* may vary: In some countries, all institutions of higher education are subject to state supervision, while in other countries privately administered institutions exist alongside supervised institutions. Supervision may include self-assessment of the institutions themselves (Brown, 2006), accreditation, public reporting, audit committees or peer-reviews. Funding of supervision may be public or private, and the composition of the supervisors may include university representatives or representatives of all institutions of higher education (Bernstein, 2002).

Sources of funding may also vary. Some countries operate according to a model in which universities are operated and funded by the government and tuition fees are very low or non-existent. In such countries, higher education is considered a right to which all citizens are entitled. In other countries, higher educational institutions are public but students must pay a large portion of their tuition. A third model is collaboration between private institutions and public institutions (Douglass, 2007).

In the United States, for example, the regulatory model operates on several levels. Enrollment is on a national level, supervision is performed by the federal governments and by private accreditation institutions. Private accreditation is performed by professional and regional entities that are funded by universities and include representatives from all institutions (Bernstein, 2002).

In Sweden, higher education, which is public, also faces a market dilemma. Sweden evolved from a model welfare state to a country that is administered in a global style. Higher education was planned and controlled yet has evolved into a system with extensive freedom of operation. Universities in Sweden oppose the further commodification that would increase their independence from the establishment but would involve expanding the sub-contractor element in institutions of higher education. A comprehensive survey by Tolofari (2008) found that the consensus in the academe and among policymakers in Sweden supports the public nature of the country's higher education institutions. According to this study, Swedes are fearful of the repercussions of a more global education that might increase emigration.

Echoing the developments in Israel's higher education system, higher education in South Korea has become more widespread in the last several decades. In the 1970s, only 7% of the population's relevant age-group was enrolled in higher education institutions, yet today, over 50% of all high school graduates continue to higher education (Phelps, et al., 2003). Similar to Israel, South Korea faces a host of economic, social, political, and educational challenges resulting from the transformation of the higher education system, although it has been argued that this growth failed to lead in an improvement in academic standards (Kim & Lee, 2006). The South Korean government elected to address the enormous rise in the demand for higher education by removing the strict regulatory mechanisms and relying broadly on the private sector. As in Israel, removing the restrictions on the ability of private institutions to award academic degrees marked the beginning of the privatization of higher education: Currently 95% of all Korean students are enrolled in private institutions.

Kim and Lee (2006) claim that the reformed system is now able to cater to over 80% of Korea's high school graduates. The blooming of the private institutions also contributed to the development of South Korea's economy. Such changes were accompanied by increased access, but they created a higher education system that is highly reliant on the private sector. These researchers state that this is a problematic fact in the absence of appropriate supervision on the state's part. In order for the higher education system to benefit from market forces, the state must impose supervision and determine the most appropriate structure for the operations of the institutions, the students, and the faculties. In the researchers' opinion, this is an essential condition in creating an academic sector that is both equitable and efficient.

A similar development occurred in China, where strict supervision of higher education institutions was traditionally imposed in an elitist system. Increasing globalization, combined with an increase in the demand for higher education led policy makers to rethink the strict supervision policy (Mok & Ngok, 2008). The state responded to globalization and market demands by allowing the establishment of private institutions and even foreign extensions into the higher education sector, increasing decentralization, and leading to increasing diversification, and proliferation in the number of institutions. Nonetheless, tension between the government and the private institutions currently creates a feeling that the government has lost its control and ability to supervise this sector. According to Mok and Ngok, a development of a formal, uniform mechanism of regulation, which fits the new market reality, is urgently needed.

Therefore it seems that numerous countries all over the world are facing a new situation in which regulatory policy is proving to be inconsistent with the changing market. Countries that acted traditionally in leading a well-supervised higher education system have been forced to outline new policies in order to cope with encroaching privatization and marketization (Beerens, 2008; Eckel, 2007; Mok & Ngok 2008; Van der Walt, Bolsmann, Johnson, & Martin, 2003). Israel's situation is no different.

4. The Higher Education System and Quality Assurance

Quality assurance and assessment of higher education institutions is one aspect of regulation. In many countries, specific agencies and models are in place to ensure quality in higher education, although such agencies would disagree with their definition as auditors or setters of external standards for academic institutions, and would argue that they merely verify the standards that the community and the institutions determine for themselves (King, 2007; King, Griffiths, & Williams, 2007).

The introduction of the concept of QA into the academe in itself is a contested issue. Some have argued that the use of the word "quality" in the context of higher education is misleading because ostensibly, it concerns an improvement in the quality of services. In practice, when we speak of "quality assurance," we mean an aggressive all-encompassing procedure of control and supervision of the entire academic job market (Worthington & Hodgson, 2005). While such supervision leads to increased self-discipline, managerial control, and more effective supervision, it evokes serious opposition on the part of the objects of the supervision.

Such opposition is known as "resistance through distance," a term which describes a situation in which the objects of supervision attempt to avoid the demands of the authorities by creating space for themselves and avoiding quality audits. Academics typically see themselves as being whole-heartedly devoted to their profession and generally motivated by non-economic factors. As such, external quality assurance is not necessary because they themselves tend to analyze their own products from a very critical point of view. As they see it, they themselves provide careful self-regulation and quality assurance (Worthington & Hodgson, 2005). Furthermore, academics view their freedom of research and teaching as a legal right to which they are entitled in the academic institution. Consequently, to gain support of the staff in higher education institutions, implementation of quality assurance mechanisms in the academe must be highly subtle and sensitive to the scholars' needs, yet at the same time, loyal to the needs of the clients-students.

In England, the national Quality Assurance Agency (QAA) was established to supervise the quality of the products of all higher education institutions. King et al. (2007) studied the operations of this agency as one of several aspects of regulation in the higher education system. They believe that although research literature showed no great interest in academic regulation, today its role in higher education demands that the sector be studied through "a lens of regulation." Findings of their study showed that the QAA serves as a mediating regulator able, as such, to provide external assurance of quality and mediate between the various pressures exerted by the regulator and by the academic institutions. The researchers believe that the system could be improved by a clearer uniform code, comprehensible to all rather than solely to those well-versed in specific academic jargon.

Additional evidence of the power of the QA procedure is offered by a study by Nelson (1997), who examined quality assurance in EU countries in the specific field of pharmacology, and found that determining core QA criteria, both for private research institutions and for academic institutions, is an essential condition for excellence in research. Findings of this study also indicate that government regulation and annual reporting to an independent committee reinforce the QA element and ultimately create greater quality.

In the case of the EU, diverse methods are used to regulate research institutions, despite the fact that all the institutions have shared goals of promoting research and development. Despite the common goal, the two classes of institutions did not operate in collaboration due to differences in regulation styles.

Despite the findings supporting the significance of QA in the higher education system, opponents have argued that the cost-benefits attributed to this procedure are no more than a myth (Blackmur, 2004). Blackmur, who studied the operations of the National Qualifications Framework (or NQF), the agency responsible for regulation and QA of higher education institutions in South Africa, (Fac, with regard to its costs, stated that the NQF's operations had a detrimental impact on the products of higher education and the job market, because of the lack of congruence between national legislation and the global pressures brought to bear on the education system or the complexity of QA systems.

This argument has been joined by Lieven and Martin (2006), who studied the operations of the British university extensions in Israel. The researchers believe that although the extensions entered the higher education system on the basis of market forces and consumers' needs, these factors were insufficient to maintain quality of the institutions. They believe that this case illustrates the inability of market forces to guarantee the quality of higher education, and the need for an external entity to supervise institutional operations.

The decision to incorporate QA mechanisms is a complex decision that entails preparations on the policy and the structural levels, and the impact of a QA system on quality is only one of many issues arising in this context. For example, a decision is needed on whether concurrent self-regulation should be permitted. Should the ratings of independent QA agencies be accepted? What is the legislature's position on the issue? What is the nature of the future regulatory agency? What are the funding sources of these agencies? These are only some of the factors that should be considered when developing quality assurance procedures.

Decisions are also needed on structural issues such as national and internal refereeing, the role of the QA system in design and development training, definition of the quality that is to be measured (Worthington & Hodgson, 2005), the QA standards to be applied, the relationship between QA and public funding of higher education, compatibility of costs, and other factors (Blackmur, 2006).

In his article, King (2007) reviews several possible models of higher education supervision. The most simple of these is the Command and Control model, in which regulation is performed by controlling the final product. Regulation is applied narrowly in this top-down model, supervision is conveyed linearly from the supreme authority in the state to the higher education institutions, and the final product that must meet the requirements is what matters rather than the method. Most objects of supervision are aware of what is precisely required of them. This model is in place in the higher education system of South Africa, where its faults, including resistance and an adverse effect on motivation, are evident. Other problematic aspects of this model include inflexibility and an adversarial approach to the supervised parties.

Meta-regulation is a second model, in which self-supervision is performed by an organization whose members come from the academic sector. Although this model makes a greater contribution to motivation, it has prompted extensive criticism by consumers, who argue that the model is a "conspiracy by experts against the consumer," and as a result, this model is viewed by some as more of a problem than a solution (King, 2007).

In the responsive regulation model, sanctions are imposed on academic institutions that fail to meet the defined requirements. This model assumes that self-regulation typically works well, but when institutions fail to meet the QA rules, they should be stripped of the right to self-management and be subjected to strict supervision.

Yet another method to assure quality is through the use of secondary regulatory factors such as the media or publications, for example, by publishing information on the quality of the products, the media may act as a regulatory element in "naming and shaming."

According to King (2007), "Regulation is less a single arrow than a quiver, a mosaic rather than a simple picture" (p. 423). In other words, a holistic approach should be embraced: one that is comprehensive and takes into consideration both the urgent needs and market forces and the unique fabric of the academic world. In 21st-century Israel, consensus has yet to be reached about when and how to lead the higher education system. An expression of this is evident in the current higher education policy.

5. Current Higher Education Policy in Israel

Higher education in Israel is unstable, as reflected in the numerous public committees on this issue and strikes (Zelikovitz, 2008). A lack of clear, uniform policy on the relationship between market forces and governmental supervision creates tension between the government, the universities, and the private institutions in Israel, which concurrently seeks to endorse globalization and extend access to higher education, yet continues to discriminate among the different classes of higher education institutions. A convention of the heads of higher education institutions in Israel described this situation as follows: "While the heads of universities are interested in government funding, without which they would collapse, the public colleges believe that the current crisis is an

opportunity to develop a new model that is based more on self-resources. While universities are confident that the crisis will increase the demand for graduate education, colleges treat such projections with reservation..." (Greenbaum, Amsterdamsky, & Kurtz, 2009).

Expression of the desire to subscribe to a global market ideology is clearly evident in the conclusions of the Meltz Committee (2000), which called to implement the principles and the values of the global world, and especially the principle of efficiency: "The Committee has resolved that the structure and work patterns prevalent in universities do no permit efficient utilization of the physical resources available to them. The Committee recommends a significant change in the universities' administrative and academic methods of operation (Meltz Committee Report, 2000).

In principle, the Committee's recommendations call for application of global economic neo-liberalism in the academe (Slaughter & Rhoades, 2004) and to transform universities into corporate entities obligated to submit reports on financial deficits and academic products (Rally, 2001) – a process seen as the first step toward privatization of the universities (Odin & Manicas, 2004).

Despite the Committee's resolution, regulatory policy applies differential budgeting to different classes of institutions: 60% of the budget is designated for universities while 40% is earmarked for colleges (CBS, 2009), forcing universities, which previously benefited from the vast majority of the budget, to share limited public resources with other budgeted institutions. The distinction between universities and colleges is the result of a "divide for privatization!" policy initiated concurrently with the cuts in higher education budgets and in employment conditions of instructors and research fellows. The colleges, both public and private, allowed an increase in the number of enrolled students while reducing per-student public spending on higher education compared to universities. The inferior employment terms of college instructors also made it possible for colleges to expand their faculty while reducing salary costs by limiting expenditures on research, among other things (Gutwain, 2008).

Privatization, originally an exclusive process of the colleges, began to filter through to the universities, which responded by adapting to the new business-oriented logic. For example, universities began to separate between budgeted programs and unbudgeted programs that imposed a higher tuition burden, and modified curricula and study conditions according to the demands of the students-consumers.

However, not only did consumer-appeasing marketing strategies infiltrate the system, these ideas also filtered down to the field of research: high-demand areas of knowledge received larger research grants, while in other fields research grants were significantly reduced or eliminated. Teaching was also affected by privatization, as a distinction was made between senior faculty employed by the institution and adjunct faculty. This was once again a result of adopting the market logic that called for the employment of less expensive instructors, which resulted in a reduced proportion of research activities being conducted in the academe. The Shohat Committee endorsed differential salary pay for instructors, and encouraged "differential remuneration" as a function of instructors' achievements (Shohat, 2007).

At the same time, universities remained official opponents of the introduction of market principles, arguing in support of academic freedom and research excellence. Gordon (2005), for example, argued that the Meltz Committee disregarded the aspirations that constitute a key means for promoting excellence, and "unfortunately, the Meltz Committee makes no reference to the association between the organizational structure it proposes and the search for truth and the aspiration for excellence... the original sin of the report lies in its authors' ontological superficiality. They do not distinguish between excellence and success...although some members of the Meltz Committee were professors, the report it submitted is based on historical, philosophical, and political ignorance...the short-sightedness, superficiality, and paucity of the Meltz Report authors is evident in their decision to abolish the Senate" (p. 18).

In his article, "The academe, the incessant improviser, and optional meanings in a post-modern world" (2009), Gur-Zeev links the dramatic changes deep-seated transformation that has affected universities, instigated by supposedly administrative decisions of diligent neo-liberal Ministry of Finance clerks. According to Gur-Zeev, the change in status of universities reflects the change in the status of knowledge; the status of the human subject; changes in the modes of inquiry, decoding, and representation of meaning; and the horizons of human stabilization, compared to man's re-emerging destiny.

We are witnessing a paradigmatic change in Israel's conception of education in general, and of higher education in particular. From a system that has touted the values of equality and universal access and viewed education as a means of social mobility, the system now champions individual interests, and the values of competition and capitalism. A change in consciousness is evolving toward the privatization of public education. This

transformation has not yet occurred, only because diverse interests are pulling in different directions. These changes are supported by representatives of the colleges, who claim that the higher education system in Israel should also be associated with economic and social changes and should adapt to the *Zeitgeist*. "It is proper that the governing institutions of universities in Israel, whose principals were formed before the establishment of the State, reorganize and adapt to the needs of the contemporary and future academic world," without adversely affecting the academic faculty who are concerned by the "aggressive political culture in various sectors of Israeli society which might penetrate into the academic world" (Guri-Rosenblit, 2005).

Evidence shows that opening the doors of the academe to globalization implies adoption of an ideological perspective that dictates a policy paradigm and conventional regulatory approach. We believe that the problem lies in the regulator's lack of a clear policy line, to which the diverse voices sounded in this issue attest. While his colleagues from the universities view privatization as "the end of the academe" (Gur-Zeev, 2005), Prof. Neuman, President of the College of Administration has stated that "Universities are like banks," and the CHE should operate similarly to the Commissioner of Banks and Insurance: "It should determine the criteria that define what a university is, and any institution that meets these criteria will be called a university," which is similar to the determination "Any company that meets the conditions of the Commissioner of Banks is called a bank." He also stated, "The current situation in our sector is like we were only to give existing banks a license and not grant a license to any new bank to operate" (Neuman, cited in Traubman, 2007, p. 1).

Others claim that "The academe is an anti-democratic entity...like the army. There is no room for democracy where efficiency is essential...If only numbers matter, there is no room for excellence" (Pines cited in Shechter-Rochman, 2008, p. 2). Privatization opponents claim that applying economic policy to the academe is "an ongoing blow, a creeping disaster which is difficult to catch at any point in time, which is why it is so difficult to fight it. This blow is expressed in budgetary strangulation: classrooms expand, laboratories become old, positions vanish. It is not a dramatic event, it is a war of attrition" (Elgazi, cited in Shechter-Rochman, 2008, p. 2).

Governments have several strategies available to manage higher education in a global world: One option is to employ governmental control and command in the form of strict regulations, widespread supervisory mechanisms, and budgetary controls. A second option is self-regulation: by deregulating higher education, authority is delegated to the higher education institutions themselves while the government maintains remote supervision (Bernstein, 2002).

In Israel, no consistent policy has been officially adopted. Instead, what has been adopted is the policy of "holding the stick at both ends." On one hand, we witness the privatization and commercialization of the education achieved through permitting private institutions to award academic degrees, and on the other hand, a discriminatory budgetary policy that distinguishes between universities and colleges, despite the workings of market forces (over 64% of all students are enrolled in colleges!).

At this crossroad, several scenarios are possible. The first possibility is based on inertia: We will pursue this strategy of inaction as academic research activities continue to dwindle, and the number of students enrolled in colleges continues to grow. In one or two decades, we will be faced with a system that offers universal access and low quality. This will be the result if we continue the current trend, where no policy is defined, and where supervision is neither consistent nor structured.

Another option is to view education as a means of social and economic mobility, and as an expedient long-term public expense. This view adopts both access and quality as values. This option may materialize by adopting the principle of equality and opening the market to competition, both in universities and in colleges, based on equal budgeting and the establishment of a regulatory mechanism that guarantees that all academic institutions meet high standards of quality.

Today, we cannot return to the past and reinstate higher education in its former "ivory tower": There is no turning back. We cannot ignore the effects of privatization, but must work to rationalize the system, and adopt a market approach accompanied by built-in checks and balances in the regulatory system.

The need to adopt and apply a consistent, uniform policy in all academic institutions is now urgent. Such a policy should, at the end of the first decade of the 21st century, be consistent with a changing competitive world yet retain quality and excellence in research. Achieving both these aims is possible by opening the market to genuine competition, such that treats all institutions equally, and allows market forces to navigate the ship of higher education and lead it to research excellence through competition. These should be conducted by a regulatory and supervisory system that audits, increases efficiencies, and improves the operations of higher education institutions – both universities and colleges.

Furthermore, we must decide on the image of the graduate we wish to develop: Do we wish to send graduates into the job market in the same state as when they first enrolled? Do we wish to create differentiation between graduates of different institutions in the job market? Former Minister of Education Amnon Rubinstein's vision of universal access to higher education has indeed materialized, but at what price? Have we embraced quantity at the expense of quality? Access on its own is insufficient because its value is diminished if not coupled with excellence. To achieve genuine equality and genuine access, we must confirm that academic institutions of all types meet a single standard of academic excellence.

The most effective way to achieve our goals is to develop and apply a quality assurance mechanism in higher education. Academics' initial tendency to recoil when hearing the term QA is misplaced: This may be a fixation originating in the years in which academic institutions operated under "autonomy and self-regulation." We, however, believe that quality assurance is not as elusive a concept as some would believe. Quality can be defined. Constructing identical academic foundations, defining curricular requirements, and inspecting their quality, implementing identical exams in all institutions are only several of the possible means of QA.

It is time for higher education in Israel to embrace the post-modern age, an age in which knowledge is not restricted to a few, an age of the IT revolution, an age in which knowledge is power and many seek it. In this age we have two options: to continue the current division, where we have competition at the expense of excellence and collaboration between academic institutions, and where the quality of higher education diminishes as the number of student's increases. The second option is to embrace the transformation and support academic institutions that are involved in a free, open, and competitive market, yet are required to meet high standards of quality assurance as a condition of their existence.

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