HIGHER EDUCATION REFORM IN FRANCE

SOME LESSONS FROM THE AUSTRALIAN EXPERIENCE

WORKING PAPER

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INTRODUCTION

Shortly after his election as President of France in 2007, Nicolas Sarkozy, in collaboration with his Prime Minister and his Minister for Higher Education and Reform, set about reforming France’s 83 universities.¹ This reform principally targeted the governance of universities, but also affected student services and attempted in its earliest iteration to affect student selection at the post-graduate level.

After centuries of soldering French universities to the State by legislative and administrative means, this Government’s reforms constituted the first real attempt to move France’s universities towards an autonomous model which may once have been considered the Anglo-American model, but is rapidly becoming a global model. This model is characterised by autonomous management in accordance with private sector practices including accountability and audit, devolved decision making responsibilities, institutional competition and limited government steering through performance measures.²

The reforms contained in the Government’s Loi relative aux libertés et responsabilités des universités (the Law relating to the Roles and Responsibilities of Universities) of 2007 have provoked wide-spread change, not the least cultural, in France’s higher education system. However, they do not fulfil the commitments made by Nicolas Sarkozy through 2006 and 2007 to give universities the power to select students, determine the academic project of the institution and full responsibility in human resources matters.³ Nor are they sufficient to meet the President’s aspiration to elevate France’s universities to the level of world’s best.⁴ For that, further and deeper reform of the sector is required.

In 2003 the centre-right Australian Government announced a package of higher education reforms touching almost all aspects of university life. In return for $10 billion in new funding over ten years, the Government reformed university governance and human resources arrangements, changed the mechanism for funding teaching, lifted student tuition fees and introduced government backed student loans for students in private higher education. It increased obligations on universities to evaluate teaching quality, and encouraged them to review and reform their management practices to ensure their efficiency. Those reforms were implemented, refined and expanded through 2004 to 2007.

¹ Note there is some disagreement about the number of universities in France. In his report on the future of the French teaching corps, Rémy Schwartz declared there were 81 universities: Schwartz, Rémy, Commission de réflexion sur l’avenir des personnels de l’enseignement supérieur, Rapport à Madame la ministre de l’enseignement supérieur et de la recherche, June 2008, page 11. In its reports, the Cour des Comptes refers to 82 universities: see for instance Cour des Comptes, La gestion du système éducatif, April 2003, page 227. In her authoritative work on France’s higher education system, Professor Christine Musselin refers to 84 universities: Musselin, Christine, The Long March of French Universities, Routledge, USA, 2001, page 60. A higher education research institute, the Observatoire Boivigny refers to 86 universities: see for instance Pillet, Pierre-Alban, Les enjeux liés à l’autonomie des universités, Observatoire Boivigny, 19 June 2006. The Minister for Higher Education and Research has referred to 85 universities throughout 2008. From 1 January 2009, the three universities of Strasbourg have become one. As such, the number 83 is used here.


⁴ “À l’heure où s’engage une bataille mondiale de l’intelligence, il est impératif que la France réforme son système d’enseignement supérieur et de recherche pour le porter au meilleur niveau mondial.” Charter Letter from President Nicolas Sarkozy to Minister Valérie Pécresse, 5 July 2007. See also Sarkozy, Nicolas, Nantes, page 13.
In reforming the sector, the Australian Government faced considerable opposition from the non-government political parties in the Australian Parliament as well as in academic and student circles. Despite prolonged and occasionally violent protest,\(^5\) the Government pursued its goal to enhance the sustainability, quality, equity and diversity of the sector, and, over eighteen months, convinced the sector and the broader public that it had a “once in a generation” opportunity to create an internationally competitive higher education sector.\(^6\) Without such reform, the then Minister for Education, Science and Training argued the university sector was “on a collision course with mediocrity”.\(^7\)

Australia’s hard-won experience can offer the French government and its academic community further options for higher education reform. This paper sets out some of the recent reforms undertaken by Australia in key areas of need and interest in the French higher education sector. It sets out how some of these reforms may be applied, with appropriate modification, in France.

By way of introduction the first part of this paper looks at recent higher education reform in France, and the second, the outstanding challenges facing the French university system. The third part tackles what has been the greatest weakness in the French system: the funding of university tuition. It examines options for meeting the cost of university study, including the imposition of moderate tuition fees coupled with the introduction of a government-run deferred loans scheme. The fourth part looks at the related issue of capital and infrastructure funding. The fifth part of this paper looks at teaching, and measures to improve its quality and heighten the recognition of the role of university teachers. The sixth part of the paper tackles a recently much debated issue in France, that of governance and the efficient management of universities. The final part looks at the orientation of students and methods of selection to facilitate their successful passage through higher education. In conclusion, the paper notes some of the lessons Australian policy makers can take from a study of recent developments in France.

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There are many elements of Australia’s 2003 reforms which will not be treated here, such as the introduction of government backed deferred income loans for students in private higher education to provide stimulus for competition. It also does not treat the Australian system beyond the undergraduate level. This is because, in large part, the university experience of most Australian students is limited to the undergraduate level. Only 20 per cent of students opt to proceed beyond the bachelor’s degree, the equivalent of the French licence, because generally speaking, the bachelor qualification is sufficient to obtain challenging and well remunerated employment.

This paper and its proposals are focused on the teaching role of France’s universities. It is not concerned with research, other than in respect of its impact on the quality of teaching and the reputation of universities. It also does not consider the services or role of the grandes écoles nor the hundreds of private higher education institutions, which often carry the name of école, or école supérieure, most of which are not regulated by the French Ministry of Higher Education and Research.

It must be noted at the outset that this paper suffers from the limitations that it has been written by a foreigner who is neither an expert in, nor a product of, the French higher education system. My understanding of the system has been gained through the study of books, reports, reviews, parliamentary and political debates, press releases and press reports, and through my attendance at conferences and seminars, as well as undergraduate and post graduate classes in French universities. My conclusions have also been drawn, no doubt in some cases precipitously, through conversations with officers of the Ministry of Higher Education and Research, academics and experts working on issues relating to higher education, professors from different institutions, some Parisian, some provincial, students and recent graduates of universities and grandes écoles, members of parliament as well as past and present policy advisers to Education ministers, the Prime Minister and the President. While I am endlessly thankful for their time and their generous advice, I must be sure to note that any errors in this paper are my own.
Part I – France’s Commitment to Higher Education Reform

In the lead up to the French presidential election of May 2007, Nicolas Sarkozy, the candidate of the centre-right party, the *Union pour un Mouvement Populaire*, identified the reform of France’s higher education system as one of his top fifteen priorities for government. ⁸

Sarkozy’s plans for reform targeted France’s universities and their role in meeting society’s economic needs. Sarkozy argued that university study should improve the professional opportunities of the men and women of France and provide them with “better qualified, more rewarding, less tedious and better remunerated jobs.” ⁹ He took a similarly practical view of research, suggesting its role was “to improve everyday life, to invent things which will harmonise human well being and the preservation of the environment, and to help medicine attain new frontiers.” ¹⁰

Sarkozy’s goals included a reduction in the number of students who prematurely end their studies, the alignment of graduate skills and knowledge to the needs of employers, and the pursuit of excellence in university teaching and research. In return for reform, Sarkozy promised universities generous compensation: a 50% increase in the overall funding for higher education between 2007 and 2012, providing an additional €15 billion over five years. Sarkozy indicated this would lead to higher pay for teachers, renovated premises, new research facilities, greater support for students with special needs. ¹¹

In his early campaign speeches Sarkozy demonstrated a preparedness to take on issues which have typically been taboo in France’s higher education sector: the selection of students, the imposition of tuition fees, and differentiation between institutions. He blamed the high drop out rate on universities’ inability to choose their students. ¹² He argued that students who worked hard should be able to enrol in more prestigious courses. ¹³ He openly questioned whether the State should fund studies which wouldn’t lead to employment. ¹⁴ He confronted the myth of uniformity which dictates that all university degrees are equal. He envisaged universities oriented towards giving people the skills they need to get into work.

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"Je crois à l’enseignement supérieur et à la formation professionnelle comme des moyens de donner aux Français des emplois plus qualifiés, plus valorisants, moins pénibles et mieux rémunérés. Ce sont des leviers de promotion sociale, en même temps que d’amélioration du pouvoir d’achat sur le long terme."
"améliorer notre vie quotidienne, inventer les produits qui concilieront le bien-être et la préservation de l’environnement, permettre à la médecine de franchir de nouvelles frontières."
"Cet effort budgétaire permettra d’augmenter la rémunération des enseignants, de rénover les locaux, d’acquérir du matériel de recherche, d’encadrer les étudiants en difficulté. Je propose par conséquent que l’effort de la nation en faveur de l’enseignement supérieur augmente de 50% d’ici à 2012, soit une augmentation de 5 milliards d’euros."
"Enfin, l’Etat doit agir de manière responsable et mettre progressivement des limites au financement de filières sans débouchés qui entretiennent les étudiants dans l’illusion et les condamnent à un réveil brutal. Que des étudiants veuillent persister dans ces filières, c’est après tout leur droit. Mais ce n’est pas le rôle de la collectivité de le financer, encore moins de les y inciter."
See also Sarkozy, Nicolas, *Nantes*, page 13.
on the one hand, those whose teaching and research would compete on the international 
stage on the other.  

Closer to the election, Sarkozy moderated his tone, focussing less on the divisive topics 
mentioned above, and more on the governance of universities. He argued universities 
should be free to organise their course offerings without recourse to government; to hire and 
fire staff and to set salaries; to exploit their property holdings and to sign agreements with 
external parties. He addressed the role of university presidents, hitherto considered ‘first 
among equals’ with little administrative power, and proposed that they be able to fulfil 
multiple mandates and that they be elected or nominated by university councils, known as 
conseils d’administration in French, rather than by the teaching corps of the university.

To those accustomed to the British, American, Canadian or Australian university systems, 
this vision of the university sounds neither radical, nor particularly innovative. Autonomy is 
the cornerstone of the Anglo-American university model and, it could be argued, is rapidly 
becoming the norm elsewhere. However, the French system has long been characterised by 
extensive State control. Indeed, universities are not just an apparatus of the State in France, 
they make up part of its vital organs.

French universities have little autonomy. They are unable to create posts or determine 
salaries. They have limited powers of recruitment in relation to academic staff. They are 
unable to impose fees for tuition. They are blocked from imposing a uniform selection 
process. All course offerings, and modifications to them, must be approved in advance by 
the Ministry of Higher Education and Research. Universities control no more than twenty 
per cent of their overall budget. Budgets are regularly overspent, and many universities lack

15 Sarkozy, Nicolas, Nantes, page 4.
17 Sarkozy, Nicolas, Discours (2006), page 5.
20 Indeed, student administration charges, known as frais d’inscription, are set by the Ministry of Higher Education and Research each year. They increase annually. In addition, universities are able to charge fees relating to additional services. They may not charge tuition fees. Students in public and private engineering schools and business schools pay fees in the order of €500 per annum for public engineering schools, and between €1,500 and €6,000 in private engineering schools. Fees in business schools range from €5,500 to €7,000: European Commission, Directorate General for Education and Culture, The Education System in France 2006 – 2007, 2007, page 9.
have budgetary offices for monitoring and approving expenses. It is estimated that most universities do not know the actual costs of course delivery, nor are they able to identify the internal allocation of funds with precision. Unsurprisingly, therefore, it is not uncommon for a university president, or even director of a public grande école, to be unaware of the full quantum of his or her institution’s budget.

Sarkozy’s commitments to reform France’s universities must be considered in this context. In a sector which had long avoided change, and even when legislation mandating it was passed, had generally eschewed its full implementation, the plans outlined by the UMP candidate through 2006 and 2007 were both courageous and potentially far-reaching.

Once elected, Sarkozy designated higher education reform an “absolute priority” for his first year in office, and indeed, the Law on the Autonomy and Responsibilities of Universities (the 2007 Law) was the first major piece of legislation passed by the UMP dominated Parliament, less than three months after the new government had been sworn in. Despite wide-spread agreement across both sides of politics that radical reform of higher education was required, only the Government and the centre party parliamentarians voted in favour of the law on 1 August 2007.

The 2007 Law provides that all universities of France will become autonomous in respect of the administration of their budgets and human resources within five years. It reduces the number of members of the conseils d’administration from sixty to a maximum of thirty. It imposes new obligations relating to the orientation of prospective students. The Law allows universities to establish foundations to receive private donations and gives them the power to manage and divest themselves of their property holdings.

But at the outset, it intended to do more. Originally, the government intended to reduce the maximum number of members of the conseils to twenty, a reduction which would have severely disrupted the political power sharing consensus that has, over time, been reached between students, academics, non-academic staff, and unions. The compromise of thirty largely maintained the proportional influence of the various stakeholder groups.

The first draft of the 2007 Law also proposed to allow universities to select their masters’ students at the entry to masters, rather than between the first and second years of a
masters’ degree, as is currently the case. The latter was removed from the draft law by the President himself after consultations with student unions. The Law is discussed further in part II of this paper.

Despite these concessions, the progress made by the French Government through the 2007 Law should be recognised and welcomed, not only for succeeding where so many previous attempts had failed, but also for the consensus it achieved among university presidents and administrators regarding the urgency for reform, heralding a “cultural change” within the sector.

But this progress is, and needs to be understood to be, a small step towards implementing the commitments made by Nicolas Sarkozy during the Presidential campaign, for which he received a clear mandate on 6 May 2007. So far, little to no action has been taken to meet his commitments to:

- Align the number of student places in courses to economic and workplace need;
- Withdraw funding for courses that don’t lead to employment;
- Introduce selection procedures to ensure students enrolled in courses have the aptitude and competency to complete them;
- Provide transparent information to parents and prospective students on the quality of teaching in different courses.

More importantly, French reforms to date will not suffice to reach the Government’s ambition to create one of the best, if not the best, higher education system in the world, nor assist in France’s contribution to making Europe’s education systems “a world reference for quality by 2010” or the European Union “the most competitive and dynamic

31 Such as the Loi Devaquet of 1986 and the Loi Fillon of 1993 which endeavoured to institute greater autonomy which was eventually defeated following an unfavourable judgement of the Constitutional Court. See Musselin, Christine, The Long March, page 148, endnote. See also Pillet, Pierre-Alban, Les enjeux liés à l’autonomie des universités, Observatoire Boivigny, 19 June 2006, page 1.
37 « En contrepartie d’un tel effort, absolument inédit dans l’histoire récente de notre pays, que nous allons engager au bénéfice de l’enseignement supérieur et de la recherche, nous avons une obligation, morale et politique : garantir aux Français que nous allons construire avec ces moyens supplémentaires l’un des meilleurs systèmes d’enseignement supérieur et de recherche du monde, si ce n’est le meilleur! » Pécresse, Valérie, Speech at the Colloquium « Enseignement supérieur et recherche : des évaluations à la décision », 7 December 2007.
See also Charter Letter from President Nicolas Sarkozy to Minister Valérie Pécresse, 5 July 2007. “A l’heure où s’engage une bataille mondiale de l’intelligence, il est impératif que la France reforme son système d’enseignement supérieur et de recherche pour le porter au meilleur niveau mondial."
38 Adopted by the Barcelona European Council Meeting, 15 – 16 March 2002.
knowledge-based economy in the world”, as espoused under the Lisbon Strategy. 39 The ongoing challenges to realising these goals are set out in the following section of this paper.

PART II – AN OVERVIEW OF FRANCE’S UNIVERSITY SYSTEM

Despite recent reform, France’s university system continues to be affected by a number of fundamental weaknesses. The quality of teaching varies greatly from one institution to another. Some courses are vocational or professional in outlook and orientation, and others consider employment objectives an affront to the transfer of knowledge. Studies are linear and narrow: students enrol in one course in one faculty, and there is rarely, if ever, any cross over between them.\(^{40}\) For instance, it would be rare, if not impossible, for a student in a French university to enrol concurrently in engineering, biotechnology and commercial law. Similarly, a student of medicine who aspired to undertake additional studies in child psychology or public policy in health would be similarly thwarted.

There is little selection or orientation of prospective students to ensure they undertake courses they are able to complete or that will lead to jobs in which they have an interest. Unlike the grandes écoles, which select their students on results in the baccalaureate or results through lengthy preparatory courses,\(^{41}\) universities are theoretically required to accept all students who have obtained their baccalaureate.\(^{42}\) There remains a significant drop out of 50 per cent of first year students at the undergraduate level,\(^{43}\) and up to 80 per cent in some disciplines.\(^{44}\)

French students generally take around 20 per cent longer to complete their courses than students of similar backgrounds undertaking the same or similar courses in other European nations.\(^{45}\) Up to one quarter of all higher education leavers in any one year leave the system with no qualification at all.\(^{46}\) Many undertake up to four or five years of study without result.

Navigating between options and choosing a course is difficult. Rather than reducing the number of courses on offer, universities have tended simply to add new courses and new types of courses, such as professional or vocational courses, alongside generalist courses.\(^{47}\) The existing student orientation centres are under-staffed and not particularly user friendly.

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\(^{40}\) Of France’s 85 universities, around twelve offer a range of disciplines covering three or four education sectors: European Commission, Director General for Education and Culture, *The Education System in France 2006 – 07*, 2007 page 6. The creation of the unified University of Strasbourg from 1 January 2009 will create the first truly pluridisciplinary university in France.

\(^{41}\) Of a year group of baccalaureate graduates, less than 10 per cent gain entry into a preparatory class for a grande école. Ministère de l’enseignement supérieur et de la recherche, *Chiffres clés sur la réussite en licence*, 2 January 2008, page 1.

\(^{42}\) Some universities have found ways around this theoretical rule discussed further in part VIII of this paper.


\(^{44}\) 80 per cent of medicine students fail to pass first year. Prieur, Cécile, *Valérie Pécresse face au “gâchis humain” de la première année de médecine*, Le Monde, 22 February 2008.


\(^{47}\) For instance, it is estimated that the number of qualifications on offer has increased by 25 per cent in the five years between 1996 – 98 and 2002 – 2003, from an average of 259 qualifications per institution to 322. Cour des Comptes, *Efficence et efficacité des universités : observations récentes et nouvelles approches*, 2005, page 19. See also Musselin, Christine, *The Long March*, pages 57 - 59.
The orientation experience of many students goes no further than an afternoon’s experimentation with self-evaluation software.  

The learning environment in some universities is poor. In many old and established universities teaching spaces and resources are substandard, with little information technology assisted learning or teaching. Detailed course guides and reading guides which help students plan ahead for their studies, are rare at the undergraduate level, and infrequent at the masters’ level. Under-resourced libraries are seldom open after 6 pm and are closed on weekends. When students are enrolled in their university libraries (it is estimated that around one third are not), they can expect one library seat per 13 students, half the rate of that in the United Kingdom or Germany. Many small libraries pertaining to individual departments or faculties, which can number up to 40 or 50 per university, have not been catalogued.

Free education has not brought about equality of opportunity. More than one third of all university students are the children of senior managers or self-employed professionals. In the case of medicine and health related studies, this proportion rises to a majority, at 52 per cent. In Parisian universities, the portion of students from middle to high socio-economic groups attains 70 per cent. Students from low socio-economic backgrounds make up less than 20 per cent of the student body. The university expectations of the children of the self-employed, chief executive officers and senior managers are easily met. They have almost a 90 per cent chance of going to university, as opposed to just over a 10 per cent chance for the children of blue collar workers.

Professors and lecturers rarely, if ever, have their own office. Few have their own desk top computer, a desk for exclusive use, or a space to establish a personal library or store materials. Understandably, therefore, they are rarely at their institutions outside teaching hours. Consequently students with difficulties, or those with a thirst for knowledge, can not visit their interact with their teachers or seek feedback on their understanding. While members of the teaching corps are often willing to set aside time for their students if requested, they will often have time constraints due to a second or third job. While this would normally be commendable cross-fertilisation of academia with industry and professional practice, it is invariably as a result of need due to supplement inadequate academic salaries.

48 Cour des Comptes, Efficience, page 92.
50 Cour des Comptes, Efficience, page 77.
52 Cour des Comptes, Efficience, page 9.
54 Cour des Comptes, Efficience, page 18.
56 Starting salaries for French university teachers are estimated to be in the range of 24,000 euros per annum, as contrasted to 40,000 euros per annum in England or 33,000 euros per annum in Germany: Schwartz, Rémy, page 77. See also the report of Rumbley, Laura, Pacheco, Ivan and Altback, Philip, Centre for International Higher Education, Boston College, International Comparison of Academic Salaries – An exploratory study, October 2008. Figure 3 (page 22) shows France’s average monthly top level salary in World Bank Purchasing Power Parity US dollars to be $US4,551 in France,
University teachers have very little leverage to negotiate their teaching/research mix or their conditions of work. All professors are required by legislative decree to provide 128 hours of lecturing a year, or a carefully calculated combination of lecturing, tutorials and practical work. There is little, if any, room for negotiating salary increases, and little financial incentive for seeking promotion.

University sites, particularly in the inner-city, are often a cluster of sterile, dilapidated buildings with immense impersonal lecture halls of peeling paint, worn carpet, bright lights, wooden desks and vinyl-clad bench-chairs. It is a world of black boards, the occasional overhead projector, some speakers and a hand-held microphone for the teacher to speak into so the students can hear up the back.

Universities’ facilities are often spread across towns subjecting students to a disjointed learning experience. In Paris, 20 per cent of students are required to spend more than 15 minutes travelling between sites for their classes. One university in Paris is situated in twenty seven separate locations, and one outside Paris located on eighteen. Universities are unable to keep up with the maintenance requirements of so many premises. It is no wonder then, that the security of some of these premises is questionable.

While myriad student services exist, among the most important - scholarships, accommodation assistance and subsidised meals, they are hard to navigate. There is no ‘one stop shop’ for students, bringing together the full gamut of student services emanating from different ministries, and in some cases, different levels of government. Services that could be combined for the sake of simplicity, not to mention ease of access, are not.

The allocation of resources is inefficient. According to estimations by France’s Cour des Comptes (roughly the equivalent of the Auditor General elsewhere) in 2005 164 teachers were required either to provide 128 hours of lectures (cours magistraux), or 192 hours of tutorials (travaux dirigés) or 288 hours of practical or field work (travaux pratiques) (see Article 7 of the Decree number 84 – 431 of 6 June 1984, Décret n° 84-431 du 6 juin 1984 fixant les dispositions statutaires communes applicables aux enseignants-chercheurs et portant statut particulier du corps des professeurs des universités et du corps des maîtres de conférences). Teachers may negotiate a blend of these commitments, but not a complete abdication of them in order to minimise teaching obligations and maximise research. Note that alongside this system France also has a system of full time researchers engaged by, and paid by, the National Centre for Scientific Research (Centre National de la Recherche Scientifique or CNRS). Around 40 per cent of these full time researchers work in co-location with universities on the Ile de France. However, they rarely have teaching obligations, and are not strictly considered the staff of the university in question.

See the report of Rumbley, Laura, Pacheco, Ivan and Altbach, Philip, Centre for International Higher Education, Boston College, International Comparison of Academic Salaries – An exploratory study, October 2008 which finds the difference between entry level and top salaries in France to be in the order of $1,292, slightly above that of China at $1,163 and India at $920, and well behind that of Australia at $2,760, South Africa at $3,546 and Saudi Arabia at $5,328 (see figure 6, page 24).

The Cour des Comptes cites the example of the Sorbonne University in Paris which, when visited in 2003, had 26 security failings including the absence of fire alarms, insufficient access for rescue services and impractical evacuation plans. Cour des Comptes, Efficience, page 74.

Cour des Comptes, La gestion du système éducatif, April 2003, pages 229.
undergraduate degrees and 136 masters were taught to classes of less than 10 students. The reform of university course structure to align with the European Union undergraduate degree – masters’ degree – doctorate model failed to produce the widespread rationalisation of course offerings that was not only intended but also directed. Indeed, the number of offerings across undergraduate degrees, masters and doctorates in French universities increased by on average 42 per cent between 1997 and 2006.

Despite the medium to long term decline in student numbers in some disciplines neither the undersubscribed courses nor the posts attached to them are abolished. Correspondingly, academic positions do not grow in sync with student numbers. In recent years, the number of teaching staff has, in some cases, increased at double the rate of students. While this may prepare the sector for the forecast diminution of the teaching corps over the next decade, there is no indication that the increases are effected with these objectives in mind.

This is some concern about the misappropriation of funds. Despite the regulatory prescription of teaching hours, the Cour de Comptes has noted that no regular assessment is made to ensure that teachers fulfil their obligations, nor is evidence of actual teaching required for those who seek payment for supplementary teaching hours, even when the supplementary teaching hours claimed would appear to be physically impossible.

The funding system is unintelligible and inequitable. The Système analytique de repartition des moyens (Analytic System for Allocating Resources) which provides the biggest tranche of university funding after salaries has been widely condemned. The Ministry of Finances called it “unequal and opaque”, and the Cour des Comptes condemned it as “rigid’ and “chronically unstable”. The National Assembly found it “complex, saturate and illegible”, and the Senate declared it “obsolete and inequitable” The Minister of Higher Education and Research herself called it “incomprehensible” “unsatisfactory” and “de-responsibilising”. This flawed system, set out further in part IV of this paper, has been compounded by budgetary failings in some universities, several of whom regularly and drastically overspend their budgets and many of whom fail to maintain accurate financial

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64 Cour des Comptes, Efficience, page 53.
65 Cour des Comptes, Efficience, page 55. Cour des Comptes, La carte universitaire d’Ile de France, page 44.
67 It is estimated that between 1992 and 2002 student numbers rose by 20 per cent, however the number of full-time and training teachers rose by 39 per cent. Cour des Comptes, Efficience, page 59.
68 See La Commission des finances, page 302 ; Cour des Comptes, La gestion, page 302. In Cour des Comptes, Efficience, the Cour gives the example of one senior lecturer who claimed 658 hours of supplementary teaching hours in one year, for which he was fully remunerated. In another university, 16 teachers claimed more than 440 supplementary teaching hours (page 57).
69 Cour des Comptes, La gestion, pages 267.
70 Cour des Comptes, La gestion, page 267.
71 Pech, Marie-Estelle, Le financement des universités repensé, Le Figaro, 10 June 2008.
73 Péresse, Valérie, Intervention lors du colloque annuel de la CPU, Brussels, 4 April 2008, page
74 Statement by the Minister, La Commission des finances, page 110.
In December 2008, the Minister for Higher Education and Research announced its replacement from January 2009.

Despite recent changes to governance arrangements effected by the 2007 Law, conseils d’administration will continue to operate as factional bodies, with the vast majority of members acting in pursuit of the objectives and immediate needs of the groups they represent (student unions, teaching unions etc). This will produce decisions designed to please the immediate users of the university, and to achieve their sectoral aspirations, rather than decisions to meet the long terms interests of the institution.

In terms of funding, France’s expenditure is on par with many of its economic counterparts. France spends 1.3 per cent of its gross domestic product on higher education, on par with the United Kingdom, the Netherlands and Norway, and more than Belgium and Germany. This is slightly below that of Australia which spends 1.6 per cent of its GDP on tertiary education, and well below the United States (2.9 per cent), Canada (2.6 per cent) or Korea (2.4 per cent). However, in terms of public dollar expenditure, France actually outspends Australia, Germany, Japan, Korea, the Netherlands, the United Kingdom and the United States.

Looking at expenditure on a per student basis, France spends $US10,995 per annum per higher education student according to the Organisation for Economic Coordination and Development. This compares well with many of France’s neighbours such as Italy ($US8,026) and Spain ($US10,089) but less well against the northern countries of Europe, such as Sweden ($US15,946) and Denmark ($US14,959). However, if one looks at the average total expenditure on per student, France’s expenditure is actually comparatively high. In 2005 the Cour des Comptes found that France then spent $US41,372 per student, slightly above the UK at $US41,209, and slightly below Japan at $US42,970. But, the Cour also noted that French students spent 4.7 years on average at university, whereas students in Japan and the UK only 3.8 years on average.

France’s own figures show great variation in funding levels between different types of higher education, with universities faring the worst. Preparatory schools for the grandes écoles are the best resourced at €14,250 per student per year, Sections de Techniciens Supérieurs (two year technical courses run in high schools) receive €13,310 per student. Instituts universitaires de technologie (university institutes of technology, known as IUT, provide vocational and

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75 See the report of the Cour des Comptes, La gestion, pages 285 – 286, 302. The Cour des Comptes also notes that few universities actually have budgeting departments responsible for following expenditure: Cour des Comptes, Efficience, page 47.
76 See also Musselin, Christine, The Long March, pages 36 – 38.
79 OECD, Education at a Glance 2008, Annual expenditure on educational institutions per student for all services (2005) Table B1.1a.
80 See also, OECD, Education at a glance 2008, Cumulative expenditure on educational institutions per student for all services over the average duration of tertiary studies (2005), Table B1.3b, which finds that France spends $US54,444 over the span of a student’s type A tertiary education (4.74 years), as compared to Australia’s expense of $US44,768 over 2.87 years, and Japan’s expense of $US62,359 over 4.51 years.
practically oriented degrees of two year duration) receive €9,150 per student and universities receive €7,710 per student.  

Whichever way it is calculated, it is this author’s view that more public money is not the way to remedy the weaknesses of the French university system.

More public money will not stop thousands of students enrolling in courses for which they are not academically equipped, nor to which they are insufficiently committed. It will not provide universities with an equitable and transparent way to select able and dedicated students. It will not stop top students seeking places in preparatory classes, selective professional courses or IUT in order to bypass the first years of university study and rejoin it at the masters’ level when students unable to meet university standards have been weeded out.

Without a fundamental rethink of the funding mechanism, more public money will not redress the disparity in funding levels between universities. Over the years great inequalities have arisen such that some universities receive more than twice as much as others in respect of students undertaking the same course. However, there is no clear justification for the difference. The funding mechanism has entrenched and deepened this unequal treatment, rather than resolving it, as was initially intended.

More public money will not simplify decision making processes within universities, or empower university presidents in the face of a plethora of decision making bodies and an unwieldy university council. It will not equip university management with the authority, responsibility, or courage to make the hard decisions required to close down unpopular and underperforming courses and departments in order to target resources to emerging needs and academic excellence.

More public money will not improve France’s performance in the two international rankings, the Times Higher Education and Shanghai Jiao Tong University Centre for World Class Universities, which list one and three French institutions in the top 100 ranked institutions respectively. These rankings are influenced more by the student achievement rates, graduate employment outcomes, institutional reputation, size of institution, international student numbers and research prizes and output.

More public money will not attract a greater, or academically stronger, international student body. Decisions as to where to study are influenced more by the language of tuition, the international reputation of the institution, the cost of living and access to affordable

82 It is estimated that around 24 per cent of students who end up in a general university course (as opposed to a professional university course) do so as a result of failing to get into the course of their choice, normally in a preparatory class or a University Institute of Technology (Institut universitaire de technologie). For them, university study is a last resort. Cour des Comptes, Efficiency, page 84.
83 Over 65 per cent of students in the University Institutes of Technology (Instituts universitaires de technologie known as IUT) have done a general rather than a vocational or technical baccalaureate: Vasconcelos, Maria, page 43. For the perversion of the original intention of the IUT see Cour des Comptes, Efficiency, page 85 and Cartier, Alison, La France est un tracteur aux yeux de Claude Allègre; Observatoire Boivigny, 21 March 2008, page 1.
84 Vasconcelos, Maria, page 64.
accommodation. There is some anecdotal evidence to suggest that international students may in fact be dissuaded from study in France on the basis that tuition is free. Many international students, particularly those from Asia, presume a link between price and quality.

More public money will not make France’s universities more efficient. The teaching corps will not become more flexible. Student services may be expanded, but will not be revised, repackaged or re-energised. Teaching rooms may be better equipped, but they will still be jam-packed during the limited teaching hours, and empty and unused during the rest. University facilities will remain strewn across cities, and campuses which unite teaching and research, student services, refectories and sporting facilities, will remain the privilege of provincial universities, where space is less limited and local governments may be more generous.

The problems with France’s university system lie deeper. They are both structural and cultural. Providing the system with more public money, without tackling these underlying problems will simply further entrench its flaws.

The 2007 Law was originally described as a “first step” 85 and indeed, there is evidence the French Government is willing to undertake further reform, although its attention has been heavily centred on initiatives likely to be popular with students and France’s teaching corps. The Higher Education Ministry is working on measures to improve:

- Student life (accommodation, health, scholarships, disabilities);
- University jobs for academic and administrative staff (equality between men and women, career progression, status issues);
- Physical working conditions of teachers and researchers (buildings, security);
- The status of young researchers and teachers (teaching obligations, evaluation of young researchers, remuneration), and
- Outcomes in undergraduate degrees (tackling drop out rates and reform of the curricula). 86

To tackle the problems related to the lack of campuses and the poor provision of university facilities the Minister for Higher Education and Research has announced €5 billion in funding to support 10 projects under its Opération Campus initiative outlined further in part V of this paper. 87

The French Government is taking a multi-pronged approach to some of the more difficult policy challenges in higher education. The Minister of Higher Education and Research is examining two independent reports: the first relating to the remuneration and conditions of

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87 Note the €5 million in additional funding was anticipated to come from the sale of State’s holding in Electricité de France in December 2007. However, this sale only raised €3.7 million, and there is some likelihood that the total funding for Opération Campus will be reduced to this amount: Pech, Marie-Estelle, Opération Campus : seuls les projets de Lyon et Strasbourg sont à ce jour jugés satisfaits, Le Figaro, 26 November 2008, page 8.
employment of the teaching corps 88 and the second related to the rationalisation of university premises. 89 The Senate is charged with the task of examining France’s performance in international rankings, and how this can be improved, and France made this a priority of its presidency of the European Union. 90 The National Assembly engaged in an ambitious plan to reform the funding system, proposing a transparent and performance-oriented system in its place, which formed the basis of the new funding system announced by the French Government in December 2008. 91

While these initiatives are promising, it is worth noting at the outset that the political opportunity for reform of higher education in France may now be lost. Neither the President nor Prime Minister refer to the further reform of universities as a priority, and no political or sectoral groundwork appears to be being undertaken to prepare the sector or the public for a second, or grander, suite of reforms.

A further hindrance to reform is likely to be the lack of public money to compensate it. In the political world, every reform has its price. Australia’s reform cost $AUD10 billion in additional funding over a decade. The €15 billion in additional funding which will go French universities between 2007 and 2012 ought to have bought a lot of reform. While not all the conditions which will be applied to that additional funding have been spelled out by the Government, there is a limit to what reform can be extracted for additional funds, the anticipation of which the sector has already digested.

Nevertheless, it is this author’s view that if France wants to achieve its aspirations for its higher education system the French Government must recommit to broader and deeper reform of the sector. It is not enough to have reformed elements of university governance and to “patch up” some of the most pressing defects in the system. This paper sets out a range of options for the French government to consider.

91 Assemblée Nationale, La Commission des finances, de l’économie générale et du plan, Rapport d’information sur l’allocation des moyens des universités, June 2008. See criticisms of the funding mechanism known as SAN REMO at pages 5, 14, 16, 60, 78, 98 and 110.
Part III – THE FRENCH AND AUSTRALIAN UNIVERSITY SYSTEMS – SHARED GOALS AND VALUES

France regularly looks to its neighbours to measure its progress and to seek inspiration for policy reform. It is particularly influenced by its continental European counterparts, although it also looks to the United Kingdom and the United States from time to time. The Asia-Pacific region is of some interest, particularly in respect to opportunities for research collaboration, but less as a guide for structural reform.

The Australian university system is known to some working in the area of higher education research in France. In particular, Australia’s system of government sponsored income contingent loans to cover student tuition fees in public universities is of deep interest to experts not only in France, but across the countries of the Organisation for Economic Cooperation and Development and the European Union. However, interest in Australian higher education rarely extends beyond this funding mechanism set out further in part IV of this paper.

This is unfortunate, for France and Australia share many objectives in the field of higher education. Like France, Australia aspires to create a first class public university system, which not only develops and imparts new knowledge, but prepares its graduates for the needs of the national and local economies.

Like France, Australia is committed to an egalitarian system in which personal or family wealth does not determine entry to university. As is the case for French university students, no Australian student is forced to pay an up front tuition fee to enter into an undergraduate course at university. While a system of student contributions exists in Australia, higher education remains majority funded by the Australian Government.

Like France, Australia is committed to the respect, promotion and reward of teaching in universities. Through a series of measures in Australia, the status of teaching has been elevated and more generously rewarded resulting in greater salaries for great teachers.

Like France, Australia is determined to retain its best researchers, and attract more from overseas. Through a range of initiatives, Australia now has almost 100,000 international

92 This paper does not go into the policy introduced in 1997 to permit a limited number of full-fee paying domestic students in public universities. Full fee paying domestic places have been abolished by the Labor Government of Australia from 1 January 2009. The number of full fee paying domestic students was less than 3 per cent of all Australian students at university. It is also worth noting that both France and Australia require students to pay an up front services and administration fee. This fee had been abolished by the previous Coalition Government in Australia but the Labor Government has recently announced its reimposition: Ellis, Kate, Rebuilding Student Support Services in our Universities, Press Release, 3 November 2008.

93 According to the International Comparison of Academic Salaries by the Centre for International Higher Education at Boston College, Australian academics now enjoy the third highest entry level salaries at $US3,810 per month (based on purchasing price parity), after Canada and the United States. According to this report, France has the sixth highest starting salaries at $US3,259. However, the greatest difference is observed in relation to top level salaries, where Australia’s “average monthly top level salary” attains $US6,570 whereas in France it is $US4,551: See Rumbley, Laura, Pacheco, Ivan and Altbach, Philip, International Comparison of Academic Salaries – An exploratory study, Boston College, Centre for International Higher Education, October 2008, pages 21 – 22.
students enrolled at the graduate level. As many Chinese students study in Australia as study in the United States. The success of Australia’s international student programme has been manifold in terms of increased sector revenue, improved trade relations and enhanced diplomatic relations.

Like France, Australia is committed to ensure students have sufficient resources to live independent, productive and social lives while they are studying. Both aspire to ensure their student body has access to professional, accurate and honest study and career advice both prior to and during university study.

Like France’s higher education system, Australia’s system also faces a number of persistent challenges including: reducing high attrition rates; improving the quality of teaching; giving graduates the skills they need to contribute in the workplace, ensuring its universities are well recognised in international rankings and continue to attract talented foreign students, especially at the doctorate level. Both systems will be confronted by demographic change and its impact on student numbers, researchers and the teaching corps.

Most importantly, both systems face challenges relating to the funding of public systems, and how to meet the increasing cost of new facilities, especially in research, as well as covering the cost of maintaining buildings, updating teaching tools and technology, as well as expanding and digitising libraries and research holdings. Funding pressures also mean steps must be taken to ensure universities are run efficiently, that waste is minimised, and that universities, their offerings, operations and ambitions continue to evolve and keep pace in what is now a highly competitive and global higher education sector.

Australia has recently taken its 37 public and 2 private universities through significant and, in part, difficult reform in order to attain its objectives and prepare them for many of the above-mentioned challenges. This reform revolutionised the governance of universities, injected greater flexibility into the academic and administrative workplace, altered the basis on which universities are funded by both public and private sources, increased direct assistance for disadvantaged students and removed all up front costs for students associated with university study.

This reform was undertaken by Australia’s centre-right government between 2003 and 2006. This government, which was elected in 1996 and remained in power until the end of 2007, was formed by a coalition of two political parties, the Liberal Party of Australia, traditionally economically liberal and pro free enterprise, and the National Party of Australia, which represents the agricultural and regional population. It is referred to in this paper as the Coalition Government.

Australia’s recent reforms were implemented more slowly than those in France. Australia’s process commenced in March 2002, that is, at the beginning of the third term of the Coalition Government. Public consultation took place throughout 2002. Forty eight face-to-face forums were conducted with students, academics, State and Territory Governments and interested members of the public around Australia. More than 370 written submissions were received.

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The Minister for Education, Science and Training took a suite of reform measures to Cabinet in early 2003, and the package of reforms was announced as part of the Australian Budget in May 2003. The reforms were passed in the Parliament in December 2003 and took effect progressively through 2004 and 2005. Complementary reforms were introduced through 2005 to 2007.

Since the election of the Australian Labor Party to government in November 2007, the new left-wing government has committed to further reform of the higher education sector. While at the outset, it appeared this would involve a significant roll-back of the 2003 reforms, subsequent announcements, discussion papers, sectoral debate and a final report in December 2008 have indicated that many of the reforms implemented by the Coalition Government will remain in place. Indeed, the differences in higher education policy between the two principal political parties now appear to be very small indeed.

Like in France, Australia’s attempts to impose large scale reform took several attempts and faced significant sectoral and student backlash. But the Coalition Government led a strong public campaign arguing that significant reform, accompanied by the injection of more public and private funding, was necessary to avoid the system becoming mediocre. Despite sectoral and political opposition, the 2003 reforms were passed with the support of independent senators in the Australian Senate, where the Coalition parties did not hold a majority.

The future sections of this paper set out elements of Australia’s higher education system and their recent reform. It discusses the extent to which these reforms may provide a model for France, taking into account the particularities of France’s higher education system.

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Part IV – Meeting the Costs of University Tuition

Comparing the university systems of France and Australia, it is evident that France’s system for funding tuition has been at the epicentre of its dysfunctionality. Australia’s funding system, while far from perfect, is both functional and egalitarian.

Australian students pay tuition fees, but they benefit from government sponsored loans. In the early 1990s the tuition fees were uniform and modest: one low fee applied to all students. They were later differentiated and increased in 1996 and 2004. Despite the imposition of student tuition fees, tuition in Australia’s universities remains majority publicly funded: for every dollar contributed by an Australian student towards their studies, the Australian Government provides on average three.

The ever increasing costs of providing high quality tertiary education have resulted in Australia’s universities diversifying their revenue. As a result, in Australia today, the country’s 39 universities receive only 42 per cent of their total funding from the Australian Government. A further 39 per cent comes from students directly and 15 per cent comes from fees from international students. Philanthropy is an ever growing source of funding, with more than five universities receiving greater than $AUD10 million (over €5 million) per year in donations and bequests.  

France’s higher education system remains almost entirely State funded. 90 per cent of university revenue comes from the State when the value of salaries are counted, and 50 per cent when salaries are not. When all elements of the higher education system are taken into account, including preparatory classes and grandes écoles, 76 per cent of all higher education is funded by the State. Regional government provides around 7 per cent, business around 6 per cent and households and individuals around 10 per cent.

This section examines France’s funding system over the last two decades and the new funding system announced in December 2008. It then looks at Australia’s system of tuition fees coupled with Government provided deferred income-contingent loans, a system that is being adopted in many higher education systems around the world, including, most recently, in the United Kingdom. It also looks at funding arrangements for foreign students studying at Australian universities. Finally, it makes some observations about whether such a deferred income-contingent loans system could be adopted in France.

(a) Funding university tuition in France

In France, 90 per cent of university funding comes from the State. Universities raise a small portion of their funds through their own revenue streams such as student administration charges, research contracts and short professional courses for which students are charged.

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tuition fees. Some receive contributions from local government, particularly those in regions outside Paris. Other funding comes by way of grants from the Ministry of Higher Education and Research on a case-by-case basis.

State funding is provided via three principal mechanisms. Salaries of ongoing university employees are paid directly by the State. Four year contracts between the State and the university cover the forward plan of the university in terms of teaching and research activity. Residual funding has been provided under the Analytic System for Allocating Resources (système analytique de repartition des moyens) known in France, and referred to in this paper, as SAN REMO.

Salaries make up more than 70 per cent of the total university funding by the State. Apart from a small number of exceptions, teaching and administrative employees are public servants. Salaries are not transferred through the accounts of the universities such that most universities would have not know the value of their payroll. From 1 January 2009, in accordance with the 2007 Law, those universities that have become autonomous will pay their employees directly. As such, the budgets of some universities will increase as much as four times their current value.

Universities enter into four year contracts with the Ministry of Higher Education and Research. They set out the university’s intentions in terms of teaching and research, and are the principal mechanism for the approval of new courses. The funding provided under these contacts makes up 20 per cent of the sector’s funding, or 3 per cent if the salary payments are taken into account. While they contain a certain amount of precision, universities do not suffer financially for failing to fulfil any of the commitments set out in the four year contracts.

SAN REMO was introduced in the early 1990s following a massive growth in the number of higher education students and growing concerns that some universities were more generously funded than others under the previous system, known as GARACES (groupe d’analyse et de recherche sur les activités et les coûts des enseignements supérieurs). SAN REMO was intended to make up funding shortfalls between the needs of the university, and its

99 Schwartz, Rémy, page 11.
100 Universities are able to employ some staff directly using their own funds. These are estimated to be no more than 20 per cent of the employee base: Schwartz, Rémy, page 26.
101 The twenty that became autonomous on 1 January 2009 were the universities Aix Marseille 2, Cergy-Pontoise, Clermont-Ferrand 1, Corte, Limoges, Lyon 1, Marne-la-Vallée, Montpellier 1, Mulhouse, Nancy 1, Paris 5, Paris 6, Paris 7, La Rochelle, Saint-Etienne, Strasbourg 1, Strasbourg 2, Strasbourg 3, Toulouse 1 and l’Université de technologie de Troyes. A further 30 universities will be audited before 30 June 2009 with a view to them becoming autonomous: Avignon, Belfort-Montbéliard, Besançon, Bordeaux 1, 2 and 4, Bretagne Ouest (Brest), Bretagne Sud (Lorient), Chambéry, Compiègne, Dijon, Dunkerque, Evry, Grenoble 1, Le Havre, Le Mans, Lille 2, Lyon 3, Metz, Montpellier 2, Nancy 2, Paris 2, Paris 9, Pau, Perpignan, Poitiers, Rennes 1 et 2, Toulouse 3 and Versailles-Saint-Quentin.
103 La Commission des finances, page 11
104 Cour des Comptes, Efficience, page IV.
105 Between 1960 and 1990 the number of students at French universities increased from 215,000 to 1,098,000: Vasconcelos, Maria, page 15.
capacity to meet those needs through State-funded positions, and to provide funding to maintain and fit out university facilities.\textsuperscript{107}

Simplified, SAN REMO worked as follows. The theoretical financial need of each university was determined by reference to the number of its students, the types of courses the students were enrolled in, and the anticipated hours of teaching required to provide them. This was then compared to the number of teaching positions provided and funded by the State. The deficit between the two was then calculated, and additional funding provided to the university to make up that deficit. The same process occurred in respect of administrative and other non-teaching staff needs. Finally, a theoretical assessment of the maintenance and facilities costs of the university was determined by reference to the property occupied by the university, measured in square meterage.

SAN REMO was flawed in many ways. For instance, the number of students was calculated by reference to students enrolled “administratively”, which includes those who have signed up for a particular course, often as a ‘back up’ while undertaking a preparatory class for a \textit{grande école}, or in order to gain access to the social welfare benefits offered to students. SAN REMO did not use the number of students enrolled “pedagogically” who actually turn up to classes, submit to ongoing assessment through the year and sit the exams at the end of it. It is estimated that in some institutions, the difference in the number of students enrolled “administratively”, as opposed to those enrolled “pedagogically”, can be as great as 25 per cent.\textsuperscript{108}

A further flaw resided in the assessment of the theoretical cost by reference to the types of courses offered by a university. For the purposes of calculating the theoretical financial need, SAN REMO relied on forty-three course proxies. Unfortunately, these forty-three proxies had not been remodelled since the introduction of the undergraduate degree, masters’ degree and doctorate model which France adopted in 2003.

Adverse behaviour was encouraged by the scheme for maintenance and facilities funding. As the theoretical costs were calculated in reference to the surface occupation of universities, they benefited significantly through increases in their square meterage, whether or not those increases could be effectively used for pedagogical or administrative purposes. As a result, some universities embarked on grand expansion plans, even though they may have had neither the intention nor the capacities to adapt, effectively use or safely maintain their increased property allocations.\textsuperscript{109}

Rather than smoothing out inequalities in funding, SAN REMO entrenched and exacerbated them. It was particularly inflexible. Funding for any one year was based on student numbers

\textsuperscript{107} For further information, see La Commission des finances, page 13.

\textsuperscript{108} La Commission des finances, page 49 ; Cour des Comptes, \textit{La gestion}, page 266. See also Musselin, Christine, \textit{The Long March}, page 64.

\textsuperscript{109} See the example given of the University of Rouen in La Commission des finances, page 15.
from two years prior. 110 Funding recalibrations and reductions were rare, even in cases where there has been a significant decrease in student numbers. 111 Even in cases where reductions were patently justified, the system guaranteed universities at least 97 per cent of their previous year’s funding. 112 Disproportionately generous funding generally remained in place.

In June 2008 the Finances Commission of the National Assembly released a detailed report on the SAN REMO system, and sharply criticised it for entrenching financial inequality between universities. Evidence presented before the Finances Commission showed the extent of this inequality to be significant. It showed the State provided on average €2,316 per student in the arts and humanities but that this ranged between €3,541 per student in the best resourced university, and €1,944 per student at the least well resourced. 113 The situation was worse. There the Commission was told that the State funding per student was €4,594 on average. But this ranged €5,814 at the best resourced university, Paris VI, to €2,614 at the worst resourced university, Bordeaux II. While these are only averages across all disciplines, it reveals Bordeaux II students are 122 per cent worse off in terms of State funding than those at Paris VI.

While some funding figures are available by generic course type (such as ‘science’, ‘social sciences’ or ‘health’) the precise quantum of State funding by student, by course, by institution, is not public. Moreover, there are questions as to whether any one department actually holds the information required to ascertain such figures. 114 No one can stipulate exactly what amount of funding the State provides for a student of European languages at Avignon, Lyon III or Aix-Marseille I, or a student of maths at Metz, Perpignan or Versailles. The differences observed in relation to generic course types outlined above suggest the State does not provide all students with the same resourcing.

Between the Ministry of Finance, the Ministry of Budget, the Ministry of National Education and the Ministry of Higher Education, sufficient data exists to determine how much the State contributes to each student’s education by course, by university. It is interesting that neither journalists, nor students, nor their representative unions clamour for the figures which would reveal the extent of unequal treatment of students undertaking identical studies. This seems particularly strange in the context of a system in which the prevailing mantra is that all students, and all degrees, are equal.

Confronted by this inconsistency of treatment, the Finances Commission of the National Assembly demanded “total transparency in the amount of funding provided to each university, and the method in which it is calculated.” 115 The revelation of the precise levels of funding per student in each discipline would have provided the French Government with the public argument and political momentum to undertake wide-scale reform of the funding system.

110 Cour des Comptes, La gestion, page 265.
111 Cour des Comptes, Efficience, page 41.
112 Cour des Comptes, La gestion, page 267.
113 Direction du budget, Powerpoint presentation, Un système inégal et opaque, undated.
114 La Commission des finances, page 16.
115 La Commission des finances, page 7. Liste des propositions, proposition n° 3, Garantir une totale transparence dans le montant des dotations et dans la façon dont elles sont calculées.
(b) Funding university tuition in Australia

By contrast with the French funding system, the Australian system is more linear and transparent. It is also more egalitarian. Universities receive a fixed and uniform amount of funding from the Australian Government per undergraduate Australian student based on the course in which the student is enrolled. Australian undergraduate students pay tuition fees, which, similarly, vary according to the course in which they are enrolled. In addition, international students pay significant fees to attend Australian universities. Their tuition is not subsidised by the Australian Government.

In the late 1980s after fourteen years of free university tuition, the then Labor Government made the decision to introduce student tuition fees, supported by government loans. Prior to this university education was free. 116 Free university education came to an end for a number of reasons. First, free education had not resulted in a significant increase in the number of students from low socio-economic backgrounds entering university. Second, the significant personal benefits enjoyed by higher education graduates rendered weak the argument for its funding by ordinary tax payers, most of whom would never undertake university study. 117 Finally, a rapid increase in the number of university students between the 1960s and 1980s 118 suggested the government could not continue to meet the full cost of higher education indefinitely.

While there was strong opposition among the academic community and students, the facts relating to the personal benefits of higher education and the forecast future costs of providing it gained public support for the introduction of modest tuition fees. At the outset, all students paid $AUD1,800 per year (indexed annually), irrespective of the course undertaken. In 1996, the Australian Government introduced three bands of tuition fees of $AUD3,300, 119 $AUD4,700 120 and $5,500 (all indexed annually). 121 Further increases were implemented through the 2003 reforms, set out in the next subsection of this paper.

With the support of the Liberal and National parties, the Labor Government abolished the system of free tuition and, in its place, imposed what is known as the Higher Education Contribution Scheme (HECS). The most important element of this system was the introduction of deferred income-contingent loans offered by the Australian Government to students who were selected to enter university. Students repay their debt progressively through the taxation system after they reach a threshold salary.

116 Prior to 1973 students paid modest up front fees, but the majority of them benefited from scholarships which covered tuition costs. From 1973 until 1988 inclusive, university was free, but for the imposition of an administration charge to cover some on-campus student services.

117 For a full explanation as to the considerations leading up to the introduction of this system, see The Wran Committee, Report of the committee on higher education funding, Australian Government Publishing Service, Canberra 1988.

118 In 1960 there were 53,633 students in Australian universities, this grew to 116,778 in 1970, 329,523 in 1980, and 420,850 in 1988 (note this includes international students as well): Department of Employment, Education, Training and Youth Affairs, Higher Education Students Time Series Tables, February 1998, Table 2.1, All Higher Education Students, by Type of Enrolment, by Sex 1949 – 1997.

119 For arts, humanities, social studies, behavioural sciences, education, visual/performing arts, nursing, justice and legal studies.

120 For mathematics, computing, other health sciences, agriculture/renewable resources, built environment/architecture, sciences, engineering/processing, administration, business and economics.

121 For law, medicine, medical science, dentistry, dental services and veterinary science.
Over its twenty years of operation, HECS has been remarkably successful. The number of domestic students in higher education has almost doubled from 415,000 in 1989 to 756,000 in 2007. Over that period, a number of studies have revealed that tuition fees are not a disincentive to university entry, irrespective of students’ socio-economic background. In fact, the HECS system has lessened the link between enrolment and family wealth which had been observed prior to the introduction of fees.

Similarly, increases in tuition fees imposed by the Australian Government in 1997 and 2003 have not affected the decision making of prospective students. Despite the imposition of fees, and two sets of fee increases, the proportion of Australian students from lower socio-economic backgrounds has remained stable – low economic students made up 14 per cent of the domestic student body in 1989 and today they make up 15 per cent.

Furthermore, the imposition of tuition fees is having a positive effect in terms of student orientation – students seem to choose more carefully when they are contributing to the cost, they are also less likely to ‘drop out’ to avoid wasting their own investment. Students also have different expectations relation to their studies and expect them to have a professional focus to enhance their employability and ability to contribute to the workplace.

(i) Australian student tuition fees

Australian students contribute on average $5,000 (€2,500) per annum towards their university studies. In practice, the amount of the contribution varies with each discipline – influenced in part by the estimated cost of tuition and the likely individual benefits to the student through employment and future earnings (see Figure 1). Some disciplines are fixed at lower rates on the basis that they are ‘national priority’ disciplines. At the outset this only related to nursing and teaching although the Labor Government, elected to government in November 2007, has recently added mathematics, statistics and science.


125 Participation in higher education by low socio economic students has increased from 14.2 per cent in 1989, up to a peak of 15.1 per cent in 2001. It is currently at 15 per cent. See Australian Government, Discussion Paper, page 32. See also Centre for the Study of Higher Education, University of Melbourne, Participation and Equity - A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people, March 2008.

126 Please note all exchanges between Australian dollars and Euros are calculated approximately on the basis of $AUD 2 = 1 euro which is the approximate exchange rate in December 2008. This follows a more than 25 per cent drop in the exchange rate through 2008 and, regrettably, does not reflect the purchasing parity of the two currencies.

127 A recent report on the higher education system in Australia has argued that the student fees for these disciplines be lifted to the Band 1 level on the basis that “there is no evidence that the lower price cap has had any positive impact on student demand for the disciplines.” Australian Government, Bradley Report, page 166.
Prior to 2003, the Australian Government fixed tuition fees for each discipline. In 2003 the Government gave universities greater flexibility to set their tuition fees between zero and a maximum rate as set out in Figure 1 above. In operation, almost all universities charge the maximum possible fee in all instances. Over time, this may change, with some universities lessening the cost of particular courses to try to lift student participation in them. But this is likely only to occur on an ad hoc and limited basis.

Students are not required to pay their fees at the entry of university. The Australian Government pays the student tuition fee directly to the university on the students behalves. Students only begin to repay their debt to the Australian Government only when they reach a defined salary threshold. At present, that salary is $AUD41,549 (€26,000) per annum (indexed annually), which is around 75 per cent of the average yearly salary. Graduates make repayments of between 4 – 8 per cent of their salary, depending on their salary level, with the highest rate of 8 per cent applied to salaries of over $AUD77,248 (€37,000) per annum.

Under the system students are not charged interest on the value of their debt, but the value is maintained through indexation pegged at the level of inflation. Graduates barely notice the repayment of their debt as it is automatically deducted from their salary by their employers, and paid together with their fortnightly or monthly taxation contribution to the Australian Taxation Office. If graduates wish to pay back their debt faster through additional lump sum payments they receive discounts for doing so, but they are not required to do so.

Those who never reach the salary threshold, never repay their debt. They may instead choose to have families, or move overseas in which case they will not have a taxable income in Australia. Around 25 per cent of students never repay their debt to the Australian Government and it is ‘written off’ at the time of death.

129 This occurred in 2005 and 2006 when Deakin University in Melbourne made science and mathematics units free for students enrolled in a Secondary Teaching/Bachelor of Science. This was intended to encourage student to enrol in these disciplines. Despite the removal of the student fee for these units, student enrolments continued to decline and the fees were reimposed from 2007.

130 Voluntary payments of $AUD500 (€250) or more attract a discount of 20 per cent.

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**Figure 1 – Tuition fees for Australian students**

<table>
<thead>
<tr>
<th>Discipline bands</th>
<th>Student contribution range (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 3</td>
<td>Law, dentistry, medicine, veterinary science, accounting, administration, economics, commerce</td>
</tr>
<tr>
<td>Band 2</td>
<td>Computing, built environment, health, engineering, surveying, agriculture</td>
</tr>
<tr>
<td>Band 1</td>
<td>Humanities, behavioural science, social studies, foreign languages, visual and performing arts</td>
</tr>
<tr>
<td>National priorities</td>
<td>Education, nursing, mathematics, statistics and science</td>
</tr>
</tbody>
</table>
(ii) The Australian Government’s contribution to tuition costs

The major source of funding for university tuition remains the Australian Government. On average, the Australian Government provides $AUD10,802 (€5,500) per student per year. But again, the Government provides funding on the basis of disciplines. Different disciplines receive different levels of funding (see Figure 2).

Figure 2 – Australian Government funding of university tuition

<table>
<thead>
<tr>
<th>Discipline cluster</th>
<th>Australian Government contribution (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law, accounting, administration, economics, commerce</td>
<td>$1,709 (€850)</td>
</tr>
<tr>
<td>Humanities</td>
<td>$4,743 (€2,370)</td>
</tr>
<tr>
<td>Mathematics, statistics, behavioural science, social studies, education, computing, built environment, other health</td>
<td>$8,389 (€4,190)</td>
</tr>
<tr>
<td>Clinical psychology, allied health, foreign languages, visual and performing arts</td>
<td>$10,317 (€5,150)</td>
</tr>
<tr>
<td>Nursing</td>
<td>$11,517 (€5,750)</td>
</tr>
<tr>
<td>Engineering, science, surveying</td>
<td>$14,664 (€7,330)</td>
</tr>
<tr>
<td>Medicine, dentistry, veterinary science, agriculture</td>
<td>$18,610 (€9,300)</td>
</tr>
</tbody>
</table>

(2009 figures)

When compared with the student contributions set out in Figure 1, these figures reveal that students in different disciplines contribute different proportions of their study costs. For instance, a student of agriculture will pay an annual student fee of $AUD7,412 and the Australian Government will contribute $AUD18,610 per annum. This means that a student studying agriculture will only pay around 28 per cent of the total cost of his or her study. By contrast, a student undertaking law will pay 84 per cent of the cost of the course. This discrepancy is tolerated in view of the likely future earnings of law graduates.

It should also be noted that some universities receive an additional loading on their tuition funding from the Australian Government, known as regional loading. Regional loading may add between 1.5 per cent to 30 per cent and is intended to compensate universities located far from capital city centres or in difficult climates, such as universities located in the tropical north which must meet the cost of air conditioning all year round. The loading also recognises that regional universities are often much smaller than their inner-city counterparts and face greater challenges in forming commercial partnerships and attracting high fee paying international students.

Funding from the Australian Government and from and on behalf of students is provided to universities, and universities spend it as they see fit. This often results in cross-subsidisation.
of courses, whereby some funding received for courses which are relatively cheap to deliver, such as business studies, law or the humanities, will be re-directed, in part, to cover the delivery of high-cost courses like sciences, medicine or engineering.

For instance, it is estimated that it costs in excess of $AUD40,000 (€20,000) per medical student each year given the contact hours, laboratory requirements, medical machinery, experimentation equipment, and hospital experience which a medical degree requires. However, the combined total of the Australian Government and student tuition fee is $AUD26,726 (€13,300) and therefore does not cover the full cost. By contrast, law is a reasonably cheap course to deliver, requiring lecture rooms, libraries, some information technology and fewer contact hours. It is generally accepted that it does not cost $AUD10,173 (€5,060) to teach each law student each year.

Universities allocate funding to faculties according to need and priority. Universities also set salary levels. These are decisions generally taken in partnership between the University Vice Chancellor, Deputy Vice Chancellors, Deans and Heads of faculties or departments. None of these positions are elected, but rather appointed on the basis of competitive application.

It has long been proposed to review the accuracy of the amounts paid by the Australian Government for each discipline to reflect more accurately the actual cost of course delivery. However, there remains some concern and hesitation among both the universities and the Australian Government as to the outcomes of such a review were it to be conducted. Universities, for example, would anticipate that popular courses, such as law, would be less well financed, and unpopular and hard to fill courses, such as science, would be better financed.

In additional to Australian Government funding and student tuition fees, there are other important sources of revenue for universities, none the least of which is fees from international students discussed below. Universities also receive capital funding and research funding on a competitive basis. They also receive performance related funding for teaching excellence through the Teaching and Learning Performance Fund and they are able to receive financial assistance to reform, merge, or restructure faculties through the Workplace Productivity Programme. These initiatives are discussed further in part VII of this paper.

(iii) International student tuition fees

Of Australia’s one million higher education students, 26.5 per cent of them are foreign, giving Australia’s student body the highest proportion of international students in the OECD. Over the previous decade, the number of overseas students has trebled. In the last year alone, the number of commencing international students in higher education grew by 13.7 per cent.  

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131 Note they make up 19.7 per cent of the tertiary type A enrolments, equating to university enrolments: OECD, Education at a Glance 2008, Table C3.1 Student mobility and foreign students in tertiary education (2000, 2006).
132 Department of Education, Employment and Workplace Relations, Students 2007: higher education statistics, Table 48 Commencing Overseas Students by Level of Course, Broad Field of Education, and Gender, Full Year 2007.
Foreign students pay high fees to study at Australia’s universities of on average $AUD25,000 a year (€12,500). As a result, ‘education services’ are now the third largest export earner in Australia after coal and iron ore, making education services to the Australian economy what the consumer goods market is to the French economy. In Australia, the international student market is worth more than $AUD14.2 billion a year (€7.1 billion).  

Universities introduced tuition fees for foreign students in 1986 when the then Labor Government prohibited the use of Australian Government funding to subsidise tuition of foreign students. 

Tuition fees for international students are not set by the Australian Government. They are set by universities. The price of tuition varies according to course and institution. For instance, engineering at Swinburne University in Melbourne costs a foreign student $AUD19,750 per year (€10,000 per year), at Curtin University in Perth it costs $AUD22,800 (€11,400) and at the University of Queensland in Brisbane it costs $AUD25,525 (€12,200). 

A combined law and economics degrees costs $AUD16,800 per annum at the University of South Australia, $AUD21,600 at the Australian National University and $AUD26,712 at the University of Sydney. Prices are influenced by student demand, course costs and institutional location and reputation.

There is no Australian Government loan scheme for international students. However, there are generous international scholarships which encourage the brightest students from the Asia-Pacific region to come study in Australia. This policy has had numerous benefits, including the training in Australia of many people who become high ranking business and government personalities in their own countries and strengthening the political and trade links between Australia and her neighbours. Australia also makes a significant effort to keep its brightest international students, privileging those who have gained their skills in Australia in terms of immigration procedures.

(c) Proposals to reform France’s funding system

In mid December 2008 the French Government announced a new funding system which had been widely condemned as flawed, opaque and inequitable. This followed an extensive review by the National Assembly’s Finances Commission which called for the urgent replacement of the SAN REMO system with a transparent, equitable and performance oriented system.

The Commission recommended universities be funded in respect of their activity and their performance. In relation to activity, the Commission recommended funding based on pedagogical enrolments, rather than administrative enrolments, in anticipation of an effective system for identifying only those students who turn up to exams. In relation to performance, the Commission proposed 10 per cent of funding should relate to the

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134 2009 figures available on the websites of the respective universities.
136 La Commission des finances, page 23.
137 La Commission des finances, page 7, proposition n° 7.
attainment of performance measures, although with different rates applying to undergraduate and masters’ degrees. 138

While the Commission called for transparency and justification in funding levels, it somewhat inconsistently called for the State to lift the level of funding per student to the highest enjoyed by any university. 139 The case for such an across the board elevation was unclear and unconvincing and it would be preferable for the Government to assess the current and future costs of tuition and incrementally increase funding of the less well resourced universities while freezing the funding of the best resourced universities.

The Senate, which formed its own working group on the issue of state funding to universities, recommended that SAN REMO be replaced by another system for which they proffered a similarly chirpy abbreviation, SYMPA for Système de répartition des Moyens à la Performance et à l’Activité (system for allocation funds by performance and activity). Like the National Assembly, the Senate proposed universities receive 90 per cent of their tuition funding based on activity, and 10 per cent based on performance. In respect of research funding, the Senate suggested that the performance quotient ought eventually rise as high as 50 per cent. 140

On 15 December 2008, the Minister for Higher Education and Research announced a new system for funding university tuition, which, she described as “simple, transparent, reactive and incentivising.” From 1 January 2009 it will apply to all universities. At first glance, it seems to remedy many of the problems associated with SAN REMO. It will measure student numbers on the basis of students present at exams, rather than those enrolled administratively. There will be a uniform allocation per student although as yet, the amount is not yet known.

80 per cent of university funding will relate to the university’s activity, and 20 per cent will reflect university performance. However, at the undergraduate level, the performance variable will be no greater than 5 per cent and at the masters level, 20 per cent. The quality of education offered will be measured Agence de l’évaluation de la recherche et l’enseignement supérieur (Agency for the Evaluation of Research and Higher Education) with a view to determining the value added by a particular institution to a student’s education, taking into account the student’s background and capacities. Performance measures will also take into account whether universities attain their objectives in relation to student progress and success, employment outcomes and good management practices. 141 It will also take into account the number of publications by publishing members of the teaching corps.

138 La Commission des finances, page 23.
139 La Commission des finances, page 7, proposition n° 2. Note, however, that the Senate recommends a more progressive grandfathering of increased payments, while ‘conserving’ the funding of well-endowed universities : Gérard, Anaïs, Dépêche de l’Agence des informations spécialisées, n° 97596, 11 June 2008.
140 Gérard, Anaïs, Dépêche n° 97596.
There is no public detail to date on what the base funding for each student will be. While it is understood that there will be five rates or clusters, it is not known what the rates for each will be. Nor is it clear whether the new system will ultimately be the sole funding system, replacing the current dual system of salary payments supplemented by SAN REMO or SYMPA.

It is known that the new system will inject an additional €889 million in funding into universities between 2009 and 2011, with €159 million in 2009. The reform promises no losers, but the funding to the currently highest-funded universities is expected to rise by 12 per cent by 2011, whereas the currently least well funded will see their funding rise by 38 per cent.

The new funding system has been poorly received by university Presidents, students unions, and the National Council for Higher Education and Research. University presidents have demanded that the Minister return to the negotiating table. However, despite the fact that this reform has the potential to be more significant than any aspect of the 2007 Law it is interesting to note that it received only limited press coverage, suggesting that the Ministry may not be required to compromise in the imposition or administration of the new scheme.

At no stage, through the Senate, Assembly or Ministry funding reform debates was the topic of tuition fees broached. Tuition fees for domestic students already exist in some grandes écoles and are under consideration for foreign students attending public universities. But tuition fees for French students remain taboo despite ample evidence that the majority of university students come from middle to high socio-economic backgrounds, and that university qualifications bring an array of personal benefits including higher salaries and lower risk of unemployment. Students themselves seem willing to consider different contributions to the cost of higher education based on revenue. Moreover, France’s economic position, including high levels of public debt, indicates that it does not have the budgetary capacity to continue indefinitely to fully fund the cost of university education.

The issue of tuition fees remains off the table despite the Organisation for Economic Cooperation and Development and the European Commission moving in recent years to argue strongly in favour of tuition fees, many suggesting State-based income contingent

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143 Ministère de l’enseignement supérieur et de la recherche, La réforme de l’allocation, page 3.
144 Ministère de l’enseignement supérieur et de la recherche, La réforme de l’allocation, page 3.
147 Cour des Comptes, La carte universitaire d’Ile de France, pages 27 – 28.
149 See La confédération étudiante, L’égalité des chances dans le sup : un horizon éloigné, undated Press Release in which it is reported that 46 per cent of students believe it is fair to make students pay different fees based on their income.
loans as the quid pro quo for their introduction.\textsuperscript{150} There is an identifiable trend in developed countries towards cost sharing in higher education. Following Australia’s successful introduction of the HECS scheme, tuition fees coupled with State based deferred income contingent loans have been introduced in the United Kingdom, New Zealand, South Africa, Chile and in some parts of the United States of America. It is under consideration in a number of other countries.\textsuperscript{151}

The OECD’s and EU’s urgings have been loudly echoed by an array of European think tanks.\textsuperscript{152} One ambitious centre-right think tank in France recently argued for the imposition of student tuition fees in public universities of up to €10,000 per year.\textsuperscript{153} It argued each student who attains the baccalaureate should have a State-funded learning entitlement of three years, the theoretical duration of an undergraduate degree.\textsuperscript{154} Although it is worth noting that less than 40 per cent of students manage to complete their undergraduate degree in three years, indicating this learning entitlement would not suffice for a large proportion of the student body.\textsuperscript{155} Nevertheless, the Minister for Higher Education and Research has reconfirmed that no tuition charges will be permitted.\textsuperscript{156}

While Nicolas Sarkozy did not commit to the introduction of tuition fees for French students in the 2007 campaign, he indicated an intention to withdraw State funding for courses which do not lead to employment, suggesting students who wished to undertake such courses could pay for them themselves:

\textit{Enfin, l'Etat doit agir de manière responsable et mettre progressivement des limites au financement de filières sans débouchés qui entretiennent les étudiants dans l'illusion et les condamnent à un réveil brutal. Que les étudiants veuillent persister dans ces filières, c'est}

\begin{footnotesize}

\textsuperscript{151} Chapman, Bruce and Ryan, Chris, page 2, footnote 6.


\textsuperscript{153} Colin, Nicolas, \textit{Pour une contribution plus juste au financement de l'enseignement supérieur}, Institut Montaigne, October 2008.

\textsuperscript{154} A learning entitlement was also introduced as part of Australia’s 2003 reform. Initially it was intended to provide an entitlement to five years full time study (or part time equivalent), but this was extended to seven years in negotiations on the floor of the Parliament. After this, any further undergraduate studies which a student sought to undertake would have to be paid for as a full-fee paying student. This proved an effective amendment for those who sought it, as almost no students spend more than seven years in full time undergraduate study.

\textsuperscript{155} La Commission des finances, page 10.

\end{footnotesize}
après tout leur droit. Mais ce n’est pas le rôle de la collectivité de le financer, encore moins de les y inciter. 137

No action appears to have been taken to pursue this direction.

Political reticence aside, the question is whether France could adopt a funding system like Australia’s. There are two fundamental differences between the Australian and French systems upon which the success of Australia’s HECS scheme is reliant. First, in the Australian system the number of student places is fixed. The fixed number of places in each discipline is determined with reference to student demand, and workforce needs. The fixed number of student places means that the costs in any one year are foreseeable.

The second fundamental difference pertains to our tax systems. In Australia, almost all employees pay their tax as they earn their salary. The employer automatically deducts the appropriate taxation contribution from the employee’s fortnightly or monthly pay, and sends it directly to the Australian Tax Office. Employers do the same in respect of student loan repayments from the time the graduate reaches the salary threshold.

France has a system of tax returns, whereby tax is paid early in the calendar year in respect of earnings in the previous calendar year. Unless special arrangements are made by individuals, tax is not deducted and paid at regular intervals as salary is earned. Adoption of Australia’s system of deferred income contingent loans would require fundamental changes to the taxation system. However, introduction of a student loans scheme may enable France to introduce a pay-as-you-go tax system incrementally with younger generations.

France could introduce Australia’s system of foreign student fees relatively easily. But to do this France would need more public and internationally verified evidence of the quality of its higher education, issues considered in the next section of this paper.

Part V – FUNDING THE INFRASTRUCTURE NEEDS OF UNIVERSITIES

Typically both Australia and France have taken a sporadic approach to university infrastructure funding. Both have provided occasional generous boosts to funding, often for new campuses or university sites, or to establish or upgrade research and teaching institutes. The ad hoc nature of this funding has generally meant that infrastructure projects for politically attractive disciplines, medicine, science, information technology and defence studies are readily funded, and those relating to social sciences, law or the performing arts are less so. Governments of both persuasions in both countries have been less diligent in the provision of funding for campus maintenance.

Both countries have recently adopted new approaches to infrastructure funding. France has put significant emphasis on public private partnerships, and has required universities to collaborate among themselves, with grandes écoles, and other research entities, in order to share in €5 billion in new infrastructure funding. Australia has taken a very different approach, setting aside $AUD11 billion in a perpetual fund to meet the costs of capital projects for both universities and vocational education institutions.

(a) Funding university infrastructure and capital in France

Ongoing infrastructure funding has theoretically been provided to French universities via the mechanism of SAN REMO outlined above which provided an allocation based on the property holdings of universities. When the Minister for Higher Education and Research announced the abolition of SAN REMO from 1 January 2009, no system for meeting infrastructure needs or maintenance was outlined to replace it.

Like in Australia, the nature of the French State’s investment in large infrastructure projects has been boom and bust. There have been a variety of generous short term capital injections, such as through the Plan Universités 2000 (U2000) and the Plan Universités du troisième millénaire (U3M), to create new universities, expand existing universities and improve student life through the renovation of buildings, expansion of libraries and building of student accommodation.

The Plan Universités 2000 (U2000) provided €6 billion between the State and Collective Territories between 1990 and 2000. This funding funded the construction of 3.8 million square metres of new accommodation, developed 40 IUT and established eight new universities, of which four were in the Parisian region at Paris Est – Marne la Vallée, Paris – Versailles Saint-Quentin-en-Yvelines, Cergy-Pontoise and Évry-Val d’Essonne to relieve overcrowding in Parisian universities. It was aimed in large part at meeting the needs of universities following a significant and rapid increase in student numbers which began in 1980 and lasted until 1995.

The Plan Universités du troisième millénaire directed €7.5 billion between 2000 and 2006 to student services including accommodation, sporting facilities, libraries and student restaurants; international student services; research laboratories and other facilities, particularly for the new universities. It privileged plans which brought together higher education, business and research and sought to increase the international attractiveness of
French universities. After a huge expansion in university premises new teaching buildings were generally given a lesser priority unless there was strong evidence of need. 158

In 2007 the French Government announced a programme called *Opération Campus*, designed to create campuses of excellence, to give them ‘international visibility’ and ‘to rival the best universities in the world’. 159 Through it, the Minister for Higher Education and Research hopes to create fifteen great centres of higher education throughout France. 160

The initiative will be funded through the sale of 3 per cent of the State’s holding in the *Electricité de France* which, in late 2007, was estimated to raise €5 billion. However, through 2008, this sale has only raised €3.7 billion and there is every likelihood the State will have to make up the difference. The Government has also placed emphasis on the need for public-private partnerships, expecting each State provided euro to be met by one euro in private or regional funding.

Ten projects were initially selected and further two projects were added to the *Opération Campus* list in early December 2008 as part of President Sarkozy’s financial stimulus package to offset the economic slowdown caused by the 2008 Global Financial Crisis. 161 The projects involved partnerships between almost universities, *écoles* and all the principal research institutes. Despite the competitive nature of the *Opération* the Minister for Higher Education and Research announced that those who were failed to be selected, but whose projects were “promising” and “innovative” would share in will share in €400 million in funding, meaning between €20 million and €60 million each. 162

The selected projects are ambitious. For instance, Grenoble has devised a €1.2 billion plan for which it seeks €563 million through *Opération Campus*. This plan brings together the town’s universities, its *Institut d’études politiques*, Grenoble Ecole de Management, the National Centre for Scientific Research, the *Centre d’études de Grenoble* and the *Centre Hospitalier Universitaire*. This project proposes the creation of a single campus uniting two current sites through a tramway and bikepaths, and to enhance student life through improvements to food services, lodging and sport. It also proposes a refocusing of the universities’ activities on innovation, information technology, the environment and heath.

Like Grenoble, Lyon seeks half of its funding for a €1.2 billion project to build a Centre for Innovation and Competitiveness and encourage business and industry to collocate with LyonTech. It proposes to create centres of scientific excellence, located around chemistry, physics, information science and technology. To improve students life it proposes the creation of new restaurants and accommodation for up to 2000 students.

A submission from the Université de Bordeaux, involving four universities, three engineering schools and the Institute of Political Studies has sought €538 million to create a

158 See Answer from the Ministry of Education to Written Question number 06082 by Mr Serge Mathieu (Député, Rhône, UMP), dated 12 March 1998, published in the *Journal Officiel du Sénat*, dated 6 April 2000.
162 Albert, Laurence, *400 millions*. 
series of graduate schools, and to reorganise its research work across three discrete departments (science and technology, biology and health and social sciences), and to create student accommodations on site.

The Université of Strasbourg seeks €288 million to solidify the merger of the three Strasbourgeoise universities. This funding will see the university’s campus made more environmentally sound, as well as attractive through the creation of green spaces, cycling paths and pedestrian areas. Research facilities will be enhanced particularly in the scientific domains. The university will enhance its student services, including a 5000m² maison de l’étudiant bringing together State and regional services, bookstores, theatre and drama spaces, an office for international students and student accommodation.

Opération campus has had some impact in terms of changing attitudes to France’s universities. Like the German Excellenzinitiative, this programme moves beyond the “one size fits all” attitude towards universities. It has been heralded as a break with France’s traditional “egalitarian” vision of the higher education sector, and recognises the reality that France’s already has a multi-tiered university system. 163

(b) Funding university infrastructure in Australia

Prior to 2007, the infrastructure and capital needs of Australian universities were funded in an ad hoc manner. New buildings were funded through annual grants from the Australian Government, but also from ad hoc grants from State, Territory and local governments. They were also funded through private sector donations to universities, whether the corporate sector or individuals.

As to maintenance, the Australian Government generally took the view that funding provided for tuition covers all aspects of tuition including the upkeep of facilities. In reality, this was rarely the case, and as a result, universities failed to prioritise maintenance and faculties and campuses progressively fell into disrepair.

A modest Capital Development Fund allocates around $AUD80 million a year to universities for infrastructure projects, with emphasis on campus developments in suburban growth areas and regional centres. However, it does not provide universities with the capacity to maintain buildings, it gives priority to new buildings and significant upgrades of existing buildings. To be successful in making an application to the Fund, universities must provide 50 per cent of the cost from their own resources, or from the private sector or State and Territory Governments. Grants on average from this Fund are in the order of $AUD1 million to $AUD5 million.

In May 2007 the Australian Government announced the creation of a perpetual fund to meet the ongoing need for capital funding for Australia’s universities. 164 It was intended that this fund, called the Higher Education Endowment Fund, would be invested, and its income would be used to support capital works and research facilities. In the 2006-07 financial year, the Australian Government committed $AUD5 million to the fund from its budget surplus.

In the 2007 – 08 financial year, it added a further $AUD1 billion. A further $AUD5 billion was committed by the Labor Government in 2008. The Fund is also able to receive tax-deductible contributions from the private and corporate sectors.

A Board of Guardians made up largely of private sector individuals with extensive experience in banking and investment was appointed to invest the fund’s holdings, and a further Board including the Australia’s Chief Scientist and the Secretary of the Department of Education, Science and Training was created to advise the Minister on the allocation of the Fund’s revenue. In 2007 prior to the onset of the Global Financial Crisis, the Fund was expected to provide a dividend of around $900 million over three years from 2008-09. These figures have not been subsequently revised.

In 2008, the Labor Government subsumed the Higher Education Endowment Fund into an Education Investment Fund which has a broader remit: to meet the capital, renewal and refurbishment needs of higher education and vocational education. This expansion means Australia’s 39 universities must now face competing bids for funding from the country’s approximately 60 Institutes of Technical and Further Education.

In early 2008 the Labor Government committed a further $AUD5 billion from the 2007-08 and 2008-09 Budget surpluses to the Fund. The Labor Government also loosened the rules applying to the Fund to allow allocations drawing down the Fund’s capital. The previous government had dictated that only the interest on investments could be spent in order to maximise and sustain the ongoing revenue from the Fund. A recent review of the Australian higher education system found that the Fund would fail to meet the major capital infrastructure needs of the sector if the capital is drawn down quickly.

In order to meet the expectations of Australia’s universities in terms of the Higher Education Endowment Fund, the Labor Government determined that the 2009 funding round will focus on universities. In its first year of operation 55 applications were made to the fund and 11 projects were approved in December 2008 totalling $580 million: an amount well beyond the anticipated revenue from investments which was expected to be in the order of $300 million in 2009. In future years, the Fund’s income will be spread thinner to cover vocational education as well, and the Labor Government has flagged that it may eventually also be shared with schools.

Recently, despite the presence of the Education Investment Fund, a return to a piecemeal approach to funding of university capital has appeared. The Labor Government announced a $500 million Better Universities Renewal Fund in May 2008 and a further a $500 million Teaching and Learning Capital Fund in December 2008 as part of an economic stimulus package to counter the Global Financial Crisis. While these are called funds, they are actually

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168 See Gillard, Julia, Minister for Education, Employment and Workplace Relations and Carr, Kim, Minister for Innovation, Funding to advance University infrastructure, Joint Press Release, 6 June 2008.
one-off capital injections. Unlike other funds which have allocated monies to universities on the basis of competitive tender and on the merits of their infrastructure projects, these Funds will be distributed on the basis of student numbers, meaning some comparatively well equipped and wealthy universities, many of which also have the greatest number of students, stand to benefit the most. 170

(c) Proposals to reform funding for infrastructure in French universities

France needs to develop a comprehensive, ongoing, equitable and competitive means for funding university infrastructure to enable university managers and conseils to plan for the long term needs of their institutions. It needs also to tackle the issue of property holdings in order to create a more coherent system, particularly in Paris where the scattering of facilities hinders savings that could be achieved through unified campuses. In terms of administrative services; cleaning, heating and air conditioning facilities; security; libraries; computer laboratories; student cafeterias and bookstores, to name but a few, savings could be achieved through consolidation. The location of some university sites, particularly in some of the most prestigious parts of Paris, mean some universities pay up to four times more per square metre than their counterparts elsewhere. 171

As part of Opération Campus the Minister for Higher Education and Research commissioned an audit of Parisian university property holdings. The report which has not, and will not be made public, criticises the dispersement of university locations over some 272 separate sites throughout the capital of between 15m² and 55,000m². It is reputed to recommend the sale of some property, including some of the most beautiful buildings held by Paris I (Panthéon Sorbonne), so that it may consolidate its activity in the north of Paris.

However, as soon as received, the French Government has ruled out the sale of Parisian sites, and instead intends to use the audit’s findings in its negotiations with the city of Paris and the region of the Ile de France to construct a large campus within Paris, and give “new life to the Latin Quarter”. 172

To an outsider’s mind these proposals, as well as the point blank refusal to consider property sales, seem indulgent. As the renovations of Jussieu in the South East of Paris have shown, many of these buildings, even the relatively new, cost a small fortune to renovate and equip. The older buildings are not designed for contemporary teaching methods, and many of them are uncomfortable for students. While there may be some romance in teaching in the auditoriums where centuries of great French scholars have taught, there is far less joy in sitting in them, and they are far less fit for purpose than they may have been in 1889.

The Opération Campus is an ambitious, innovative and generous programme and serves as a model for other countries, including Australia, who wish to build universities that are able to compete on the global stage. But, in addition to funding bold projects through targeted, time limited programmes, France may also wish to consider the establishment of a perpetual

171 Cour des Comptes, La carte universitaire d’Ile de France, page 15.
fund, like that proposed by the Australian Government in 2007, to meet the ongoing capital needs of other universities and to provide an ongoing stream of money for university maintenance.

However, this may prove difficult in the short term for France, which has recently amended its 2009 budget deficit forecast from €56.7 billion to €79.3 billion. 173 As this constitutes 3.9 per cent of France’s GDP, one per cent higher than the budget deficits permitted by the European Union, France does not have the financial means to set up such a Fund. Australia was able to set up such the Higher Education Endowment Fund in the context of no public debt.

Part VI – LIFTING THE QUALITY OF TEACHING

It is hard to assess, and even harder to compare the quality of teaching across universities. Yet, there are a range of indicia which are suggestive of high quality teaching such as: high student satisfaction levels; generous teacher student ratios and easy access to tutorials, workshops and one-on-one time with professors, lecturers, or tutors; low failure and drop out rates; high rates of employment in the field related to the course of study; the operation of a robust quality assurance mechanism, the standards of facilities, including the integration of ICT in learning, and access to and the completeness of general and discipline-specific libraries.

Both Australian and French university systems have been slow to adopt rigorous measures of teaching quality. This has been largely as a result of resistance from unions and other teacher representatives, many of whom argue that there is no valid way to assess teaching. Student attitudes is particularly singled out as a poor mechanism for measuring quality, and one which might prejudice the teacher-student relationship by placing pressure on the former to favour the latter in the pursuit of positive assessments. Yet, student evaluation is a regular practice in most of France’s grandes écoles, and has been adopted in other systems, including Australia’s, with some success.

The French Government has recently announced that quality will be a determinant in the calculation of university funding from the State. While this is a bold and admirable move, France suffers from a deficit of robust quality data to support it. Australia’s creation of a Learning and Teaching Performance Fund as part of its 2003 reforms, and its composite mechanisms for assessing and rewarding quality, may provide possible models for the French Government.

(a) Assessing the quality of teaching in France’s universities

It is generally perceived that the quality of teaching in French universities has not been competitive with that offered in the universities of France’s major economic partners. It is difficult to judge, however, whether this perception is in fact correct. There is little data relating to the quality of teaching in French universities, and where there is such data, much of it is not publicly available.

While the evaluation of teaching by students is mandated by French law, in practice, this requirement is rarely observed, or observed in a perfunctory manner. In France, it is regularly argued that students are not able to judge the quality of their teaching. Within the sector, some academics maintain “it is not for students to grade their professors.”

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176 Bourdin, Joël, page 66 ; Cour des Comptes, La gestion, page 338. See also the example sited by the Cour des Comptes, Efficience, page 110, where it refers to one university whose student evaluation consisted of two questions: “did the content of the course correspond to its objectives” and “was the teaching method adapted to the audience?”
177 Laborde, David, CIES Aquitaine Outremer, L’évaluation des enseignements – le point de vue des moniteurs, June 2003, page 3.
students are of a different view, with more than 76 per cent of them believing student evaluation is either necessary or indispensable. \(^{178}\) Where student evaluation does exist, students are often instructed that in no case are their evaluations “to criticise the teaching staff, either directly or in relation to their discipline.” \(^{179}\) As a result, there is very little data on the quality of teaching in French universities as assessed by students.

The Ministry of Higher Education and Research holds data indicating the probability of success of students, by institution, but it is not publicly available. The data has been collected and made available for the purposes of sectoral reviews and reform. When data appears in public documentation it is published in general terms, so that rates of performance can not be allocated to particular institutions. For example, it is known that at the “worst” university, the probability of a student passing in any one year is around 30 per cent, and at the “best”, that probability is around 85 per cent. \(^{180}\) Four universities enjoy a student success rate above 80 per cent, and three have a success rate of less than 50 per cent. \(^{181}\)

Calculations of the added or subtracted value of studying at a particular institution have also been made. \(^{182}\) The contribution of the institution is determined through an examination of student results, making modifications and compensations for previously acquired skills or competencies, or the lack thereof. Institutions which receive students from comfortable backgrounds, or with strong baccalaureate results, have higher performance targets that those whose students come from less well off backgrounds.

Drop out rates in France have been mentioned briefly elsewhere in this paper, but it is interesting to compare them with other nations. France’s drop out rate is high. The OECD finds that in 36 per cent of French university level higher education students drop out. \(^{183}\) However, France is not alone in Europe. Generally speaking, drop out rates are higher in Europe than in Asia or the United States, \(^{184}\) although France is among the highest. \(^{185}\) In addition to drop out rates, we must also take into account progression rates. In France, less than 40 per cent of all university students complete their undergraduate degree in the intended three years. \(^{186}\) This compares poorly with the results in France’s own IUT where more than 80 per cent of each year group progresses to the next year of their study.

Teacher student ratios in French universities vary greatly, with scientific universities benefiting from more teachers per student than universities in other disciplines. On average,

\(^{178}\) La Confédération Etudiante, *L’égalité des chances dans le sup : un horizon éloigné*, undated.

\(^{179}\) Cour des Comptes, *Efficiency*, page 110.

\(^{180}\) Cour des Comptes, *Efficiency*, page 85.

\(^{181}\) Cour des Comptes, *Efficiency*, page 85.

\(^{182}\) In 2006 the Cour des Comptes made an extensive review of the value added or subtracted by institutions in Paris. It found that over two years of study, the value deficits at Paris VIII was – 10.1 and Paris X – 10, and the value add at Paris IX, also known as Paris Dauphine (a selective grand établissement) was +21.2 points: Cour des Comptes, *La carte universitaire d’Ile de France*, page 29.


\(^{185}\) Note Sweden’s drop out rate is 31 per cent, the Netherlands’ 29 per cent, Finland’s 28 per cent, Portugal’s 27 per cent, Germany’s 23 per cent and the United Kingdom 21 per cent. France does, however, fare better than Italy at 55 per cent and Hungary at 43 per cent: OECD, *Education at a Glance* 2008, Table A4.1 Completion rates in tertiary education (2005).

\(^{186}\) La Commission des finances, page 10.
France has one teacher per 17 students, which compares favourably with Italy at 20.4 students per teacher, but unfavourably as against the United States at 15 students per teacher, and Sweden, at 9 students per teacher. It is slightly above the OECD average of 15.3 and the EU19 average of 16.\(^{187}\)

The link between higher education studies and levels of employment is less strong in France than in the rest of the OECD. In France, men with university education have an employment rate of 85.3 per cent, three points less than the EU19 average at 88.9 per cent and four points less than the OECD average at 89.4 per cent. Women in France have an employment rate of 77.9 per cent against an EU19 average of 81.7 per cent and an OECD average of 79.8 per cent.\(^{188}\) While these rates are only slightly below the United States (at 88.1 and 78.5 respectively) and Germany (88.7 and 80.4), they are significantly below those of the United Kingdom (90.5 and 87.1 respectively) and Switzerland (93.3 and 81.9). It is unlikely, however, that this can be attributed to the quality and relevance of university study. It is more likely to reflect labour laws and practices in France, and the flexibility which employers can hire and fire staff.

More concerning still, a small number of French university graduates face extensive periods of unemployment after graduation. It is estimated that three years after graduation, more than 10 per cent of graduates are still unemployed.\(^{189}\) Many more spend years undertaking poorly paid training positions, known as stages, in order to build up sufficient professional experience to be able to apply for regularly paid positions.

The impact of university study on future earnings in France is also worth considering. In this, France compares well with the rest of Europe. French tertiary education graduates earn 49 per cent more than those who have not studied at that level. This is higher than in Norway (29 per cent) and Spain (32 per cent), but slightly less than in Switzerland (56 per cent) and Germany (64 per cent). Graduate earnings in France are significantly less than those in the United Kingdom and the United States.\(^{190}\)

In 2006, France significantly revamped its national body to monitor quality in higher education and research.\(^{191}\) The Evaluation Agency for Research and Higher Education (Agence de l’évaluation de la recherche et de l’enseignement supérieur), known as AERES, was established to evaluate universities, grandes écoles and research institutes. A team of assessors made up of French and international academics, researchers, students and representatives of the National Council of Universities (Conseil national des universités), the National Centre for Scientific Research (Centre national de la recherche scientifique), and various other institutional groups examines university governance, course offerings, the integrity of academic processes, relations with external research organisations, international relations, university management, human resources, and the use and maintenance of property holdings. It presents its findings in public reports outlining both the strengths and weaknesses of each

\(^{187}\) OECD, *Education at a Glance 2008*, Table D2.2 Ratio of students to teaching staff in educational institutions (2006).


\(^{189}\) Hetzel, Patrick, *De l’université à l’emploi*, La documentation française, Paris, October 2006, page 17.

\(^{190}\) OECD, *Education at a Glance 2008*, Table A9.1a Relative earnings of the population with income from employment (2006 or latest available year).

\(^{191}\) *La Loi de programme pour la recherche du 18 avril 2006*. 
institution. It makes recommendations for improvement. It proposes to review each institution once every four years and its reports are accessible on its website. In the next two years, it proposes to include students in the assessment of student services and the quality of student life.

The accuracy of international rankings is much debated in France. International rankings pitch France’s universities below those of her European neighbours. France boosts only one grande école and no university in the top 100 Times Higher Education rankings (Ecole polytechnique at number 34) and three institutions in the top 100 as classed by Shanghai Jiao Tong: two universities (Paris VI at number 42 and Paris XI at number 49) and one grande école (the Ecole normale supérieure at number 73). French newspapers tend to summarise France’s ranking as seventh in the world. However, when a per capita comparison is made of countries with institutions ranked in the top 100, France comes third last among.

France’s poor performance in the rankings is in large part due to the criteria applied by the two principal rankings systems and in particular, the importance they place on research activity and outcomes. France suffers here on three fronts. First, full time researchers in France are often employed by the National Centre for Scientific Research (Centre national de la recherche scientifique (CNRS)), and publish their work under that reference rather than under the name of the university to which they may be attached. Second, well resourced grandes écoles are largely teaching-based institutions, with little research activity. Lastly, the vast majority of the recognised international journals which count for the rankings are published in English. Although it should be noted that language has not prevented Asian nations from significantly increasing their contribution to such journals.

France also fares badly due to the size of its universities and the narrowness of their offerings. Whereas a “pluridisciplinary” university in the Anglo-American context offers courses ranging from town planning to nuclear science a “pluridisciplinary” university in France is one which traditionally offers teaching in three or four different domains. It is estimated that if Paris VI, the major sciences university in Paris, joined with Paris XI, this merged entity would jump to position 12 on the Shanghai ranking. The merger of the three Strasbourg universities from 1 January 2009 and the muted mergers between the universities of Marseille and Aix-en-Provence or Paris I, Paris V and Paris VII would see these “super” universities perform significantly better in the 2009 rankings and beyond.

Whatever the flaws of international rankings, and there are many, they will remain popular with prospective students, within academic circles, and among journalists who rejoice in their simplicity. As noted by one international expert on the rankings systems, Simon

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192 See statements of Dhainaut, Jean-François, President of AERES in La Commission des finances, page 71.  
196 For example, between 1980 and 2003 China increased its output of scientific papers 20 times over: Cyranoski, David, China increases share of global scientific publications, Nature, 9 September 2004. Some estimate that since 2006, it has the second highest scientific publication rate after the United States: See Zhou, Ping and Leydesdorff, Loet, China ranks second in scientific publications since 2006, ISSI Newsletter, Number 13, March 2008, pages 7 – 9.  
197 Cour des Comptes, La carte universitaire d’Ile de France, page 33.
Marginson, “rankings are easily recalled and quickly become part of the common sense knowledge of the sector.” 198 Although the French Government has regularly decried the inadequacy of the international rankings for the French higher education model, even France’s Ministry of Foreign Affairs website for foreign students lists France’s results in the Shanghai rankings. 199 Despite the protests of students and academics that the rankings are flawed, 80 per cent of university managers claim to be taking concrete steps to improve their placement 200 and while deriding the rankings as the views of “a Chinese university or American magazines”, 201 the French Government has set itself the target of having 10 institutions in the top 100 of the Shanghai rankings by 2012. 202

In early 2008 the French Minister for Higher Education and Research announced a push to establish a new rankings system for Europe. As a preliminary step, the Senate was commissioned to prepare a report on international rankings and determine why France fares so badly in them. The Report supported the call for a European system to recognise the strengths of European universities, but anticipated difficulties in reaching agreement on the criteria of any new rankings system. 203 It identified France’s fundamental lack of data on quality as a threat to its faring in any alternative scheme. 204

Under its presidency of the European Union in the second half of 2008, France hosted a European conference on the theme “The Criteria for International Comparisons – a European Approach”. 205 At that conference, the French Minister for Higher Education and Research argued the case for a European ranking system to take effect from 2010, to be known as the “Brussels Ranking”. 206 Shortly thereafter, the European Commission’s Directorate of Education and Culture issued a tender for the “design and testing the feasibility of multi-dimensional Global University Ranking”.

A clear preference appears to be emerging for the system established by the Centrum für Hochschulentwicklung (the Centre for Higher Education Development, known as CHE) in Gütersloh, Germany which classes faculties and courses, rather than universities, and allocates them into top, intermediate or bottom groupings rather than in a simplistic top 500 format. The CHE ranking is a tool which could prove very useful for students who already know in which country or region they want to study.

198 Marginson, Simon and van der Wende, Marijk, Globalisation, page 55.
201 « Les Européens ont tout intérêt à créer leur propre classement, avec leurs propres critères, afin de ne pas laisser une université chinoise ou les magazines américains imposer les règles du jeu. » (The Times Higher Education publication is a British publication.) Angeli, Christophe, Le problème du classement de Shanghai, c’est qu’il existe, Observatoire Boivigny, 18 March 2008.
204 Bourdin, Joël, page 85.
206 Péresse, Valérie, Vers un classement de Bruxelles des universités, 13 November 2008.
An alternative suggestion is to institute a mapping of university offerings, rather than a determinative ranking of universities strengths and relative standing. Mapping would, however, fail to meet the needs of those who want an general appraisal of university quality and reputation. Nevertheless, either system would be better than that proposed by the Ecole des Mines in Paris which, in listing the higher education experience of the CEOs of the Fortune 500 companies, reveals a lot more about recruitment through grande école networks in France, than the quality of teaching in French institutions.

Whatever alternative Europe chooses, students with limitless choices, particularly in relation to post-graduate study, will continue to be influenced by the two major international rankings. Similarly they will continue to influence general opinions about the relative strengths of universities. To some extent, they are, and will continue to be, self-fulfilling particularly while some jurisdictions, like France, fail to assess and publicly release data relating to institutional quality and performance.

International student demand is often treated as another indicia of quality. France receives around 9 per cent of the international student market, the fourth largest share in the world after the United States, the United Kingdom and Germany. However, it is estimated that at least one quarter of students classified as “international” in France are in fact long term residents of France, without citizenship. The exact proportion will not be known until France has adopted a system like that in the UK, Ireland and Germany which identifies truly mobile international students. A further half of France’s international students are estimated to be short term Erasmus (intra-European) exchanges which, while admirable and to be encouraged, are not comparable to the long-term study and qualification objectives which typify international students in the United Kingdom, the United States or Australia.

(b) Assessing the quality of teaching in Australia’s universities

Since 2000, the assessment and assurance of quality in Australian higher education has been reinforced. Australia now possesses a wealth of public data relating to it. This data would now suggest that the quality of Australia’s universities is high.

Looking briefly at the indicia considered in relation to France above, it is first worth noting that Australia has cemented student evaluation into university activity. This was achieved through the introduction of a Learning and Teaching Performance Fund, outlined below.

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209 It is estimated that between 18 per cent and 50 per cent of so called “foreign students” in the European Union are in fact residents who have not taken out citizenship. See European Commission, Commission Staff Working Paper, Annex to the Communication from the Commission, Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy, European Higher Education in a Worldwide Perspective, Brussels, 20 April 2005, page 17.
A Course Experience Questionnaire, completed by recent graduates and outlined below, has been used in Australia since 1993. Student evaluation reveals almost 90 per cent of graduates express broad satisfaction with their courses. Satisfaction levels are also measured in relation to the quality of teaching, the appropriateness of assessment, the acquisition of general skills, student support services and learning resources.

Student completion rates are reasonably high. Australia’s higher education completion rate is 72 per cent, 3 points higher than the OECD average. However, they remain well behind the United Kingdom at 79 per cent and Japan at 91 per cent. Student progress rates are reasonably high, with around 80 per cent of students progressing from one year of university study to the next (although around 10 per cent will have changed courses) and a further 7 per cent changing universities (of which around half stay in the same course, and the other half change courses).

Australia’s student teacher ratio is slightly worse than that of France. Australia’s student teacher ratio is 20.5 : 1. This is a sharp increase from 1998 when it was 17.9 and 1990 when it was 12.9. This increase is starting to show in student evaluation of their courses: students in Australia report lower rates of satisfaction with staff explanations and the time and effort put into commenting on their work than in the United Kingdom, and Australia fares poorly against the US and Canada Zealand in respect of student and staff interaction.

Looking at graduate outcomes, around 70 per cent of undergraduate degree holders go straight into the full time labour market after completing their first degree. Only 20 per cent of bachelor graduates go on to further study. 8 per cent go on to casual or part time work without a desire to be in full time employment. Of those who go into the labour market in pursuit of a full time position, over 85 per cent have obtained it within four months of finishing their degree. A further 10 per cent were working on a part-time or casual basis while continuing to seek full time employment. Only 5 per cent were looking for full time employment and not working.

Australia also has employment outcomes by field of education. Of those who studied mining engineering, 100 per cent were in full time employment four months after they finished their studies, civil engineering graduates enjoyed 97 per cent employment, and those in pharmacy, medicine and nursing, rates higher than 96 per cent. The lowest employment

212 Graduate Careers Australia, GradStats, Number 13, December 2008, page 11.
213 OECD, Education at a Glance 2008, Table A4.1 Completion rates in tertiary education.
214 Centre for the Economics of Education and Training, Monash University, Long, Michael, Ferrier, Fran, Heagney, Margaret, Stay, play or give it away? Students continuing, changing or leaving university study in the first year, October 2006, page v.
218 Graduate Careers Australia, page 2.
219 Graduate Careers Australia, page 2.
220 Graduate Careers Australia, page 3.
221 Graduate Careers Australia, Table 2: Breakdown of bachelor degree graduates available for full time employment, by field of education, 2008 (%), page 6.
rates were recorded for humanities, languages, social sciences, psychology and physical sciences students (between 75 and 77 per cent). 222

Looking beyond recent graduates, of all 24 – 64 year olds with university education in Australia, 90.7 per cent of men and 80.9 per cent of women are employed. This is more than 5 points above the rate for men, and 3 points the rate for women in France. 223

The median annual starting salary for the holder of bachelor degree is $AUD45,000, representing 81 per cent of average weekly earnings for men. 224 French university graduates enjoy greater salary differentiation relative to those who have not undertaken university education. In France, university graduates earn 49 per cent more, in Australia this is only 34 per cent. 225

In 2000, the Australian Government established the Australian University Quality Agency (AUQA) to assure the quality of Australia’s higher education institutions. It assesses university operations, ensuring the are ‘fit for the purpose’ for which they have been established, and monitors the adequacy of their quality assurance arrangements. It audits the quality of academic activities and their compliance with the National Protocols for Higher Education Approval Processes set by the Australian Government in partnership with the governments of Australia’s States and Territories. AUQA panels are made up of Australian and international experts. Roughly the equivalent of the French AERES, AUQA provides public reports containing recommendations for improvement. 226

Turning to international indicia: Australia has the fifth largest number of international students after the United States, the United Kingdom, Germany and France and has enjoyed an annual growth rate of 11 per cent between 2000 and 2006. Australia has seven universities listed in the top 100 of Times Higher Education ranking 227 and three in the Shanghai Jiao Tong rankings. 228 It does not have a domestic rankings system, but produces an annual Good Universities Guide which lists the relative strengths of universities in different domains.

Quality, its measurement and the mechanisms to lift it, were a key priority of the Australian Government in its reforms in 2003. This was achieved through three principal instruments: the Learning and Teaching Performance Fund; a National Institute for Learning and Teaching in Higher Education and a suite of prestigious university teaching awards.

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222 Graduate Careers Australia, Table 2: Breakdown of bachelor degree graduates available for full time employment, by field of education, 2008 (%), page 6.
224 Graduate Careers Australia, GradStats, page 7.
225 Although note that in this calculation the OECD is comparing 2006 statistics in France with 2005 statistics in Australia: OECD, Education at a glance 2008, Table A9.1a Relative earnings of the population with income from employment (2006 or latest available year), 2008.
226 See www.auqa.edu.au/qualityaudit/universities/
227 Australian National University at 16, University of Sydney at 37, the University of Melbourne at 38, the University of Queensland at 43, the University of New South Wales at 45, Monash University at 47 and the University of Western Australia at 83.
228 Australian National University at number 59, the University of Melbourne at 73 and the University of Sydney at 97.
(i) The Learning and Teaching Performance Fund

The Learning and Teaching Performance Fund was created to identify and reward teaching excellence. To participate, universities were required to demonstrate their commitment to teaching excellence through the preparation of a strategy to lift learning outcomes. They were required to offer training opportunities for full-time teaching staff to improve their teaching skills and to ensure teaching performance would be taken into account as a criterion for promotion. They were also required to develop a systematic and comprehensive system for evaluation of teaching. Importantly, universities were required to make their strategies, policies, evaluation practices and results publicly available on their institution’s websites. 229

Once a university had met these requirements, it became eligible to receive money from the Learning and Teaching Performance Fund. 230 Allocations from the Fund were made on the basis of achievement assessed according to the following criteria:

### Performance criteria and data sources

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Source: 2009 Learning and Teaching Performance Fund – Administrative Information for Providers, Department of Education, Employment and Workplace Relations, Australia.

The Australian Graduate Survey is completed by graduates approximately four months after they complete their studies and is made up of two parts: the Course Experience Questionnaire and the Graduate Destination Survey. The Course Experience Questionnaire seeks student’s views on their courses and the skills they acquired through their courses. They are asked to give their view on the quality of the teaching they received, their overall levels of satisfaction with the course they undertook and the generic employment related skills they have attained (for


230 Note that these requirements have subsequently been removed by the new Labor Government: 2009 Learning and Teaching Performance Fund – Administrative Information for Providers, Teaching and Learning Group, Higher Education Group, Department of Education, Employment and Workplace Relations, page 2.
example communication, team work, information technology). The Graduate Destination Survey asks graduates to state their employment status, the type of work they are in, whether it is full or part time. It seeks details of any further study undertaken. As it is generally not compulsory for students to complete the surveys universities have developed innovative ways of encouraging students to complete the surveys, such as requiring students to complete the survey prior to enrolling for a graduation ceremony.

Each year the Department of Education, Employment and Workplace Relations collects data from universities showing the number of students who successfully completed their courses and the number who were retained in the institution, even if they did not complete their course. For the purposes of assessing results and translating this into allocations from the Fund this data is moderated to take into account the backgrounds and the prior education attainment levels of students.

Each year, the Fund allocates around $AUD70 million (€35 million) to the best performing universities. In its first year of operation in 2006, fourteen universities were rewarded through the Fund with additional funding of up to $AUD10 million (€5 million) each. In 2007 the Government modified its approach, identifying and rewarding excellence in four broad discipline clusters: science, engineering, computing, architecture and agriculture; business, law and economics; humanities, arts and education and health.

Subsequent reform to the Fund has lessened the focus on teaching excellence. In 2008 the Labor Government removed the requirements for universities to demonstrate their commitment to teaching excellence and publish student evaluation to participate in the Fund, although a recent report on options for future sector reform has recommended that public reporting continue. The Labor Government has also announced that the Fund will not only reward excellence, but also reward improvement in performance year on year.

Nevertheless, the Fund has induced important cultural change within the sector. Whereas previously University Vice Chancellors sought advice from a number of deputy or pro-vice chancellors with responsibility for academic issues, research and international relations, they now generally also have a deputy or pro-vice chancellor with responsibility for learning and teaching and its improvement across the institution. Universities also regularly use the outcomes of the Learning and Teaching Performance Fund as a prominent marketing tool and the Fund has made student evaluation of teaching a given part of university life.

(ii) The National Institute for Learning and Teaching in Higher Education

As part of its 2003 reforms the Australian Government established the National Institute for Learning and Teaching in Higher Education which today is known as the Australian Learning and Teaching Council. The Council was established to promote excellence in higher education teaching by:

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• Managing a competitive grants scheme for innovation in learning and teaching;
• Investigating, outlining and promoting effective assessment practices;
• Benchmarking effective teaching and learning processes across Australia and internationally;
• Disseminating good practice and professional development in learning and teaching; and
• Allocating awards for teaching excellence.

Each year the Council applies its annual allocation of around $AUD20 million (€10 million) to innovative projects in learning and teaching; fellowships to enable educators to undertake high level national and international programs related to learning and teaching and an array of national teaching awards. The Council organises seminars and workshops to exchange models of best practice in the improvement of teaching. 234

The bulk of the Council’s funding goes to the support of innovative teaching and learning projects such as research into the use of student surveys to assess teaching quality; strategies to improve teaching across different cultures, computer – generated tools to assist in learning, development of team and mentoring skills in students through the use of interactive online tools and measures to enhance the English language skills of international students.

(iii) National Awards for Quality Teaching

The 2003 reform package included an enhanced suite of teaching awards to reward individuals, groups and institutions for exceptional practice in teaching.

Each year 210 individuals or teams receive awards of $AUD10,000 (€5,000) in recognition of significant contributions to student learning in a specific area over a sustained period; 14 awards of $AUD25,000 (€12,500) are awarded to teaching services which improve the quality of students experience of higher education and serve as a benchmark for other institutions; 26 awards of $25,000 (€12,500) are awarded to teachers (individuals or teams) renowned for the excellence in their teaching, who have outstanding presentation skills, and have made a deep and broad contribution to the quality of teaching in higher education. These awards, and the projects they publicise, influence practices elsewhere.

Each year one award and a medal is granted by the Prime Minister to the Australian University Teacher of the Year. This is granted to an academic with an exceptional record of advancing student learning. The ongoing allocation, promotion and growing publicity of these awards has done much to elevate the status of teaching in Australian universities.

(c) Proposals to improve the quality of teaching in French universities

The goal of improving the quality of teaching is implicit in the reforms pursued by the French Government since May 2007, particularly the Plan Licence which tackles problems afflicting undergraduate study. In late 2008, the French Government announced an

ambitious plan to make performance a determinant of university funding, placing issues of quality and its assessment centre stage.

(i) The Plan Licence

The Plan Licence, announced by France’s Minister for Higher Education and Research in December 2007 proposed to reduce France’s drop out rate to no more than 25 per cent within 5 years by:

- increasing teaching hours by 5 hours a week;
- making first year pluridisciplinary to facilitate student orientation;
- adding two hours of language training and one hour of information technology to the curriculum of all university students;
- limiting the prevalence of courses in amphitheatres in favour of smaller classes in smaller venues, and
- boosting access to teacher-advisers. 235

The Minister has committed €730 million in new funding between 2007 and 2012 to achieve the Plan Licence. While the Plan has some odd elements, including the need for students to sign contracts committing them to their studies, its small modifications to the curriculum and delivery mechanisms ought to improve the student experience dramatically.

The Plan was due to be implemented in all universities from the start of the academic year in September 2008. However, it is argued by student unions that universities have failed to address all initiatives of the Plan, and it has been of limited benefit to students. 236 Indeed, implementation appears to be piecemeal and, at this stage, incomplete.

Based on progress reports provided by universities to the Ministry of Higher Education and Research, only 32 per cent of universities increased teaching hours and over 70 per cent have made no effort to reduce the prevalence of courses delivered in amphitheatres. 237 Rather than embedding language and IT training in the first year curriculum, universities have offered or required students to enrol in external language and IT courses for which they must pay up front fees. 238 Less than 40 per cent of universities have devised a strategy to make first year studies plurisidiciplinary. 239 It may be many years before the objectives of the Plan Licence will be met.

(ii) Funding universities on the basis of performance

The report of the National Assembly’s Finances Committee handed down in June 2008 put the evaluation and reward of teaching quality on centre stage. In its report, the Finances Commission proposed that 10 per cent of university funding for tuition should be influenced by the quality of teaching. Before the Committee the Minister of Higher Education and

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237 UNEF, page 5.
238 UNEF, pages 8 - 9.
239 UNEF, pages 6, 9 - 10.
Research indicated a willingness to consider up to 15 per cent and the President of the AERES has argued it should be as high as 30 per cent. 240

In its report the Commission did not specify precisely how quality should be assessed, but it listed a range of criteria that could be taken into account such as: the percentage of students who obtain their undergraduate degree in the intended three years; whether students pursue further studies, and employment outcomes measured three years after graduation. They argued that the circumstances of students must also be taken into account, such as age and socio-economic background, as well as the economic circumstances of the area in which graduates seek employment. 241

In an announcement in mid-December 2008, the Minister for Higher Education and Research announced the imposition from 1 January 2009 of a new funding system which remunerates university for both its activity and its performance. Performance measures will include citations of research work, employment outcomes of students, the value added by an institution to a student’s education taking into account the student’s background, and the attainment of objectives set out in the contract between the university and the State. 242

The implementation of this system faces significant challenges. France does not have a well-developed system of student evaluation. Australia’s system of graduate surveys and course questionnaires outlined above may serve as a model, and has already been adopted in the United Kingdom. A more detailed and thorough model is proposed by David Laborde of the University of Pau. 243 According to Laborde, universities should survey students at three points during their course, prior to its commencement, during the course, and at the end, to assess students’ expectations and competencies throughout the course. He further argues that in addition to surveys, universities should offer an opportunity for face to face feedback, as well as an electronic forum for online debate among students. While the latter would need to be carefully moderated, it may prove a useful tool for on-the-go improvement of course delivery.

At this stage, the French Government has indicated that Agence de l’évaluation de la recherche et l’enseignement supérieur (AERES) will be responsible for assessing the performance of institutions. However, in the author’s view, this role fundamentally alters the nature of AERES. Like the Australian Universities Quality Agency, AERES was created as a quality assurance body, rather than a quality evaluation body. AERES’ function is to assess the proper management of universities and the fulfilment of the universities’ mission. As a new organisation, AERES should focus on its core mission, that is bringing all universities up to minimum level of performance and efficacy, before it imparts on the task of ranking relative quality and excellence.

While implementing a performance pay element in university funding is a bold move, France may also look to the creation of a Learning and Teaching Performance Fund or

240 La Commission des finances, pages 72, 110.
similar incentive scheme which the Australian experience shows can effectively and rapidly lift the status of teaching, increase competition among institutions, and commit institutions to meaningful evaluation by students in a very short period of time.
By the time of the 2007 Presidential election, Nicolas Sarkozy’s intentions for governance reform of universities were well known: to give those which were ready and able to accept it the power to create and abolish positions, to hire and fire employees to set their level of remuneration. He proposed to give universities the right to determine what disciplines would be taught and the responsibility for fixing the institution’s research priorities. He also wanted to give them the possibility of dealing with their property holdings, including powers of divestiture, and the ability to merge with other universities and higher education institutions.  

Once elected, these commitments evoked significant sectoral unrest. The press, academic circles and parliamentarians complained these changes placed too much power in just one person: the University President. Some commentators seemed to fear that with additional responsibilities, university presidents, rather than doing the job expected of them, would metamorphose into megalomaniacs. The Law was deplored by students’ unions as “dangerous” on the basis that the proposed governance reform would “increase inequality by allowing universities to determine their area of activity” and create a “two tiered system”.  

Australia also made the reform of university governance a key element of its 2003 reforms. Like France, it reduced the maximum number of governing body members and increased the number of external independent members. Vice Chancellors, who had to some extent always operated as the managing directors or chief executive officers of universities saw their powers of management reconfirmed.
But these were but a small part of the Coalition Government’s governance reforms announced in 2003. A set of National Governance Protocols imposed new duties on the governing bodies of universities and a set of Higher Education Workplace Relations Requirements obligated universities to implement widespread labour reform, including the introduction of individual (non-union) contracts between universities and their staff. Unlike in France, Australia’s governance reforms attracted very little attention beyond academic circles.

(a) France’s reform of governance

The 2007 Law deals almost exclusively with the governance of universities. It significantly increases the powers of university management and expands the realm of university decision making. It gives the president the power to recruit contract staff and a right of veto over the appointment of teachers, researchers, and other permanent administrative staff. It allocates the president some margin for the creation, abolition, restructure and redeployment of positions. It provides university presidents renewable four year terms elected by the conseil d’administration, in place of the previous unrenewable terms of five years elected by three separate conseils. The president now has the job of appointing the external members of the University conseil d’administration.

The Law significantly increases the human resources responsibilities of the universities. From 1 January 2009, the twenty universities that have become autonomous will be responsible for the payment of staff salaries, which will, on average, more than double their budgets overnight. However, as a first step, it would appear, responsibility for the accuracy and passage of payments is actually been allocated to the regional trésories générales (regional representatives of the Ministry of the Economy, Finances and Industry for the purposes of allocating State funds), an interim step that is scheduled to continue until at least 2013.

While it has not been spelled out in detail, it is presumed that universities, rather than the State, will now be responsible for the negotiation of wages with university staff and their unions. While this would normally give rise to local terms and conditions and institution

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248 Other elements of the 2007 Law included giving universities the option to establish Foundations to raise private funds, and requiring universities to offer a pre-enrolment service for students to provide advice on their choice of study and their likelihood of success.

249 Note that in respect of university professors, this power is not complete. Those aspiring to become university professors must still pass National Qualifying Exam for Higher Education (Le concours national d’agrégation de l’enseignement supérieur). In the absence of exceptional circumstances (particularly in relation to hiring foreign professors), universities can only choose between those people who have sat for and passed the National Qualifying Exam.

250 The twenty that became autonomous on 1 January 2009 were the universities Aix Marseille 2, Cergy-Pontoise, Clermont-Ferrand 1, Corte, Limoges, Lyon 1, Marne-la-Vallée, Montpellier 1, Mulhouse, Nancy 1, Paris 5, Paris 6, Paris 7, La Rochelle, Saint-Etienne, Strasbourg 1, Strasbourg 2, Strasbourg 3, Toulouse 1 and l’Université de technologie de Troyes. A further 30 universities will be audited before 30 June 2009 with a view to them becoming autonomous: Avignon, Belfort-Montbéliard, Besançon, Bordeaux 1, 2 and 4, Bretagne Ouest (Brest), Bretagne Sud (Lorient), Chambéry, Compiègne, Dijon, Dunkerque, Evry, Grenoble 1, Le Havre, Le Mans, Lille 2, Lyon 3, Metz, Montpellier 2, Nancy 2, Paris 2, Paris 9, Pau, Perpignan, Poitiers, Rennes 1 et 2, Toulouse 3 and Versailles-Saint-Quentin.


specific arrangements, differentiation in salaries and working conditions across universities is unlikely to eventuate. University staff see themselves as employees of the State rather than employees of an individual university. On that basis, it is unlikely that they will accept terms and conditions devised at the institutional level.

Increased responsibilities in relation to human resources and budgetary affairs have necessitated rapid up-skilling of existing staff and the expansion of administrative units. To assist this, the Government has offered each university that becomes autonomous €250,000.

The Law has made it easier for universities to merge on the basis of an absolute majority vote of the conseil d’administration. This legal possibility, combined with the State’s financial encouragement through Opération Campus, has seen the first successful merger of three universities based in Strasbourg. The Universities Louis-Pasteur, Marc-Bloch and Robert-Schuman fused on 1 January 2009 to create a university of 42,000 students, 2,890 teacher-researchers, 90 research hubs, and a vast offering of over 60 different undergraduate degrees and more than 80 masters. This fusion has created France’s first truly pluridisciplinary university. A number of universities, namely those of Marseille and Aix-en-Provence, as well as the universities of Montpellier, are believed to be watching the success of the University of Strasbourg closely with a view to potential merger.

The 2007 Law also gives universities the option to take up responsibility for their property holdings, and to take ownership in the property and facilities which they use but which currently belong to the State. It is not clear whether the universities will be asked to compensate the State in relation to such transfers, although as it will be some time before they are considered independent economic entities, this is unlikely. Nevertheless, it will give them the opportunity to rationalise their property holdings, in some cases, relocate, and in others, to sell property in prime residential and commercial locations in order to build new premises elsewhere.

At the outset, the French Government intended to make autonomy optional, meaning some universities would stay under the full guidance of the State. This was removed at the instigation of the Conference of University Presidents and various tertiary education unions which saw the potential for differentiated treatment as leading to a two tiered system between the autonomous and non-autonomous universities. As a result all universities must become autonomous within five years, and will be doing so progressively after audit by the Ministry of National Education.

(b) Australia’s reform of governance

By comparison with France’s reform of governance, Australia’s was both more incentivising and interventionist. However, the systems came from very different starting points. French universities are only now starting to become autonomous in their operations, Australian universities have been so for decades.

As part of the 2003 reforms the Australian Government strengthened the roles of university managers and incorporated a private sector model of management through the National Governance Protocols. It intervened heavily to fix the systemic failures in human resources management through the Higher Education Workplace Relations Requirements. It created two funds to encourage and assist universities to modernise their operations, collaborate with vocational institutions and the private sector, and renovate their teaching offerings: the Collaboration and Structural Reform Fund and the Workplace Productivity Programme.

(i) National Governance Protocols

The National Governance Protocols detailed new management and operation requirements for Australian universities. They were devised by the government after extensive consultation not only with the university sector, but also with business, in order to ensure that they accorded with best practice in the commercial sector.

Compliance with the National Protocols was required to obtain year on year increases in public funding amounting to a 2.5 per cent increase in 2005, 5.0 per cent in 2006 and 7.5 per cent in 2007 worth $280 million in additional funding over the three years.

Like France, Australia decreased the maximum number of members on university governing bodies, known as senates or councils. While the Government initially intended that there should be no more than 19, this was lifted to 22 during negotiations on the floor of the Parliament. Of the maximum number of 22:

- at least two members must having financial expertise and at least one member with commercial expertise;
- there must be a majority of external independent members who are neither enrolled as a student nor employed by the higher education provider;
- none may be appointed by the State or Commonwealth parliament unless specifically selected by the governing body itself.

Furthermore, time limited terms were imposed. No member may sit on a university senate or council for more than 12 years.

The Protocols introduced significant cultural change in the operation of governing bodies. They stress that all members of university councils or senates must act in their personal capacity, rather than as the representative of an external or representative body. They required members, other than Chancellor, the Vice-Chancellor and the Presiding Member of the Academic Board, be appointed or elected ad personam, and banned governmental appointments. The Protocols clearly express that when exercising his or her functions, “a member of the governing body must always act in the best interests of the higher education
provider.” To ensure members are able to perform their duties effectively, the Protocols require universities to provide an induction programme and further opportunities for professional development to build expertise.

The Protocols require all university bodies to adopt a statement of its responsibilities which includes:

- Provisions for monitoring the performance of the university Vice Chancellor;
- Devising and approving the mission and strategic direction of the university, as well as its annual budget and business plan;
- The oversight and review the management of the university and its performance;
- The approval and monitoring of systems of control and accountability;
- The oversight and monitoring of risk management across the university, including in relation to its commercial undertakings, and
- The oversight and monitoring of the university’s academic activities.

Unlike the governance reforms contained in France’s 2007 Law, Australia’s reforms fundamentally altered the operation of university councils and senates and the approach which members took to their roles. As a result, much of the partisanship which had marred the activity of university governing bodies dissipated.

The National Governance Protocols were separated from funding requirements by the new Labor Government in early 2008.

(ii) Higher Education Workplace Relations Requirements

In early 2005 the Ministers for Education, Science and Training and the Minister for Employment and Workplace Relations announced compulsory reform to workplace relations arrangements for universities with the intention of making them “more productive, efficient, flexible and competitive”. Funding increases of 2.5 per cent in 2005, 5.0 per cent in 2006 and 7.5 per cent in 2007 worth $280 million in additional funding over the three years were made conditional upon universities meeting these requirements as well as the National Governance Protocols.

The Higher Education Workplace Relations Requirements related to improving direct relationships between the universities and their employees; increased workplace flexibility through the removal of limitations on casual work; flexible agreement making and freedom of association. Universities were required to offer all staff the choice of an individual work agreement, called an Australian Workplace Agreement, which displaced the application of collective agreements made between universities, unions and employees and the awards of employment tribunals.

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257 National Governance Protocols, Commonwealth Grant Scheme Guidelines Number 1, clause 7.5.25.
To encourage reward for effort the Requirements stipulated that universities develop “a fair and transparent performance management scheme which rewards high performing individual staff” and “efficient processes for managing poor performing staff.” The Requirements further mandated that workplace agreements, policies and practices must not “inhibit the capacity of the higher education provider and its employees to respond to changing circumstances” or “limit or restrict the higher education provider’s ability to make decisions and implement change in respect of course offering and associated staffing requirements, including not placing limitations on the forms and mix of employment arrangements.”

The presumptive union involvement in human resources matters was reduced: university management were prevented from negotiating only with unions. While unions could participate in negotiations, they could only do so at the clear and express invitation of employees. Even where such an invitation had been issued and accepted, universities were required to ensure there was direct involvement of employees as well. Universities were further required to ensure that no public funding provided by the Australian Government was used to subsidise union accommodation or activities on campus.

In order to comply, universities were required to amend their collective agreements with unions and staff to remove provisions which did not accord with the Requirements, such as general preventions on the use of Australian Workplace Agreements, and to provide for direct consultation between employees and the university in relation to all human resources matters. Strict time frames were set for the amendment of pre-existing collective agreements.

In an attempt to prevent a practice known as ‘pattern bargaining’ whereby unions negotiate identical or near identical collective agreements in each university, universities were required ensure their arrangements and conditions of employment were “tailored to the circumstances” of the university.

The Higher Education Workplace Relations Requirements were broad and intrusive, and vehemently opposed by university unions and some Vice Chancellors. 259 However, the Government believed they were necessary to change the way universities had managed human resources to make them more flexible and responsive to changes in student needs and research priorities.

The Requirements were enacted in legislation. 260 In their first year of operation, all universities but one complied with the new Requirements and received the 2.5 per cent increase available in the first year.

The Labor Government, elected to government in November 2007 and closely aligned to trade unions, passed legislation in early 2008 to repeal the Higher Education Workplace Relations Requirements. This was part of the Labor Party’s general commitment to roll back workplace relations reform implemented by the Coalition Government between 1996 to 2007.


The university sector has welcomed this abolition as it perceived the Requirements to be an overly prescriptive intrusion into their management responsibilities.

(iii) Workplace Productivity Programme

Originally intended to encourage and reward flexible workplace practices in universities, the Workplace Productivity Programme took on new objectives in 2005 after the Government announced the Higher Education Workplace Relations Requirements: to fund projects enhancing the efficiency, productivity and performance of universities. The Government offered the sector $83 million over three years to:

- Review and reform of the efficiency of universities, including of financial arrangements and operational management including budgeting, procurement, investment, internal allocation models, financial and accounting systems, asset and financial restructuring;
- Reform the efficiency, productivity and performance of universities through mergers, amalgamations and course rationalisation by two or more higher education institutions;
- Improve productivity and performance through strengthened management, leadership and governance capability, and to assist the implementation of flexible working relationships, and
- Develop systems to improve flexible working relationships, direct relationships with employees, productivity and performance.

The Fund supported around 50 projects in its first year and 36 in its second. These projects included the overhaul of budgeting, planning and financial reporting systems; cost-efficiency reviews and cost reduction initiatives across student administration services and faculties; the improvement of data management in human resources and course administration; implementing best practice financial management processes; centralising procurement systems to pursue savings, and reshaping the organisational structure of universities.

The Fund also provided money to enhance management skills in senior university managers and lift the competency of academic staff with fiscal responsibilities to ensure they can manage, acquit and report on financial performance; to optimise staff resource allocation through web based management workload systems and up-skill researchers in financial management, grant administration, business planning, commercialisation and technology transfer. 261

The Fund also provided start up and recurrent funding over four years for the LH Martin Institute for Higher Education, Leadership and Management, located at the University of Melbourne. The Martin Institute aims to train higher education and vocational education managers in the skills required to effectively and efficiently run a tertiary education institution.

261 See Bishop, Julie, $68 million to help our universities become more efficient, Press Release, 5 September 2007; Bishop, Julie, More than $50 million to make universities more efficient and productive, Press Release, 6 September 2006.
This Institute, which commenced operations in late 2007, offers certificate, diploma and masters courses in the leadership and management of tertiary educations and short intensive courses for middle and senior level academic managers. It undertakes research and provides a forum for public policy makers, public and private sector tertiary education institutions, and national and international experts to discuss innovation in higher education and vocational education management. It is an important element in the professionalisation and competency building in university management across Australia. 262

While unpopular with the sector on the basis that the Programme’s objectives implied universities were inefficient, the Programme funded a number of financial reviews of university operations and, progressively, would have built a case for further increases in public funding. A recent review into the higher education system in Australia, authored by a number of higher education experts and former Vice Chancellors recommended that the programme be abolished and that in its place $AUD130 million be given to universities to help them deal with reforms in the higher education sector over the last twenty years. 263

(iv) Collaboration and Structural Reform Fund

The Collaboration and Structural Reform Fund was created with similar objectives to the Workplace Productivity Programme, that is, to facilitate significant structural reform, but also to foster collaboration between universities and their stakeholders: business, industry, professional associations, local government and community groups. Emphasis was placed on structural reform and it was hoped that the Fund would improve performance and outcomes by changing the way universities operate. Universities were specifically encouraged to seek funding for amalgamations; rationalisation of campuses and mergers of faculties or campuses with other education and training providers. 264

The Fund operated in 2005, 2006 and 2007 and received over 350 applications, from which only 34 projects were funded. For the most part, applications pertained more to the collaboration objectives of the Fund, and the structural reform objectives, which had a higher political and policy value for the Government, were largely ignored.

In May 2007 the Australian Government announced the Collaboration and Structural Reform Fund would be subsumed into the Diversity and Structural Adjustment Fund with clearer reform objectives. 265 This Fund will provide $AUD209 million over four years for universities to specialise in their offerings, forge effective and practical partnerships with the vocational education sector and focus on local labour market needs. For some this will mean seeking financial assistance to close down faculties and retrench staff.

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262 For further information see http://www.mihelm.unimelb.edu.au/
(c) Proposals to improve governance, management and efficiency in France

Culturally, there are many differences between the French and Australian systems. It would be unthinkable to institute human resources reforms along the lines of the *Higher Education Workplace Relations Requirements* in France, and it would be impossible for the French Government to impose private sector management practices and efficiency audits on public universities.

Despite Australia’s more flexible, autonomous and market focussed system, these reforms were not easily implemented in Australia. Despite the Australian Government making significant funds available for this purpose, universities in that country were reticent to take up the opportunity to test their management operations and use of public funds and derided the implicit suggestion that their systems were inefficient.

Despite serious concerns about the efficiency of universities in France in terms of property holdings and fit-out, course offerings, staff arrangements and management, ²⁶⁶ the French Government remains silent on the need for efficiency reviews and objectives. Recent audits to ascertain the preparedness of universities to become autonomous, as well as regular audits undertaken by the *Cour des Comptes*, go only a short way towards identifying management problems and efficiency deficits. However, they build a strong case for the French Government to go further.

The French Government could start, however, by offering skill development opportunities for senior managers in universities. Through the *Conférence des presidents d’université* the sector is already running courses in financial management, staff management and leadership for university presidents and vice presidents. ²⁶⁷ However, the French Government may wish to look at the LH Martin Institute, established by the Australian Government at the University of Melbourne, as one way of meeting the sector’s long term management and financial skill needs.

Further, the French Government may wish to commission external financial advisers and governance experts to produce education modules and to run courses for university managers. In this way, the Government could have some input into the course content. Progressively, it may help the management culture in France’s universities evolve.

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Part VIII – Effective Student Orientation

No formal uniform student selection process is applied in French universities, despite growing suggestions from university presidents that they should be able to impose selection criteria. Selection processes apply in limited disciplines, for specialised professional and vocational courses and for courses in the university attached IUT. For the rest, students are allocated to places via a nationalised enrolment service known as RAVEL (Recensement automatisé des voeux des élèves).

Some universities make significant efforts to avoid having to accept all applicants. They have found innovative ways of imposing opaque selection systems. One went so far as to abdicate its status as a university. The absence of a uniform selection processes, has made the role of student orientation important in the French higher education sector.

Australia, by virtue of its limited student places has always imposed selection criteria and entry into some courses is highly competitive. Despite the presence of a robust selection process, the Coalition Government significantly increased funding for student orientation and elevating the quality and status of careers advising between 2004 and 2006. As a result, a universal careers service is available to all Australian school children from the age of 13.

(a) France’s approach to student orientation

In France all baccalaureate graduates have the right to enter university. At the outset, this operated as a selection process: In 1960 only 11 per cent of an age cohort obtained the baccalaureate. This has since risen to over 60 per cent. Since 1985 the French Government has set a target of 80 per cent. The explosion of potential university entrants has not precipitated the installation of a uniform, transparent process for identifying and admitting students into university. The limited legislative attempts to introduce selection processes into French universities have failed.

Many argue a selection process applies in France: selection through failure. Less than half of first year students pass directly into their second year. Around one third repeat their first year. A further 16 per cent change course, and around 6 per cent abandon their studies altogether. Drop out rates vary according to disciplines. The OECD ascribes a drop out rate of 32 per cent to the French higher education system. But at the undergraduate level, drop out rates are as high as 50 percent. While the figures vary according to the source, the President quotes a drop out rate of 45 per cent.

269 Paris IX, also known as Paris Dauphine took on the stature of a “grand établissement” as opposed to an établissement public à caractère scientifique, culturel et professionnel (public scientific, cultural and professional establishment) in 2004, in order to maintain its previously illegitimate selection practices. It selects its students on the basis of a dossier, comprising results in the final two years of high school, references from three teachers and the school principal.
France could easily impose a selection process: it has a wealth of data regarding which students succeed at higher education and which do not. It is known, for instance, that 95 per cent of students who succeed at getting into preparatory classes have obtained a general baccalaureate, as opposed to a technical or professional one, and that 75 per cent of those undertook their general baccalaureate in the scientific stream. It is estimated that almost half the recipients of a technological baccalaureate enrol in a general degree at university because they have failed to gain access into a professional degree or a University Institute of Technology, and, of those 60 per cent will not complete their degrees.

Various selection practices have snuck into university practices in order to weed out students who will not be able to succeed. Professional or vocational degrees, even at the undergraduate level, impose selection processes. IUT, while strictly part of universities, have always been able to select students and do so on the basis of a dossier and an interview. In addition, universities are able to set aside places for students who do not fit into their traditional categories, such as, overseas students, students from other parts of France, or students who have taken a break from study after secondary school. Places set aside for them are often offered on the basis of dossier and interview. Universities are also able to designate some courses as limited due to space, imposing selection processes to determine who gets in, and who doesn’t. Those universities that practice selection, even in limited circumstances are aware of its benefits, and produce markedly better outcomes in terms of student success and employment.

The proportion of courses that apply selection criteria on the basis of falling into the special categories outlined above can be considerable: in 2005 the Cour des Comptes found that in one university, the number of space limited undergraduate courses was 19 out of a total 75 on offer, and 36 per cent of students at university are now enrolled in professional or vocational streams. However, the imposition and operation of selection processes remains opaque and difficult for students to navigate. It renders weak the argument that France’s university system is both egalitarian and open to all.

In the absence of an open and transparent selection process, the orientation of students has taken on greater importance. The 2007 Law requires students to pre-enrol in their chosen discipline and institution prior to the end of their final year of secondary schooling. Universities are required to examine the pre-enrolments and assess the likely success or otherwise of its future students. They are expected to raise concerns with students they believe will be unable to complete the course. At a minimum, universities are required to

273 Vasconcelos, Maria, page 23.
274 Cour des Comptes, Efficience, page 8.
275 Cour des Comptes, La carte universitaire d'Ile de France, page 64.
276 Cour des Comptes, La carte universitaire d'Ile de France, page 53.
277 Paris IX, also known as Paris Dauphine, was required to accept students according to the automatic national enrolment and student allocation system known as RAVEL (Recensement automatisé des voeux des élèves) in 2003 prior to it becoming a grand établissement. In that year, the university noted a difference of 5 to 10 points between the students allocated to the university through the automatic system, and those selected by the university: Cour des Comptes, La carte universitaire d'Ile de France, page 55.
278 Cour des Comptes, La carte universitaire d'Ile de France, page 52.
279 Cour des Comptes, Efficience, page 18.
inform prospective students of the types of jobs the qualification may lead to, and the competencies the student must develop to succeed. If widely implemented, this is a welcome reform.

The 2007 Law also requires universities to create a Professional Assistance Office to coordinate work experience job opportunities relating to the various areas of study offered by the university. They are also expected to help students line up their first job after study. Building on the unsuccessful Interuniversity Student Orientation and Work Placement Service (services communs universitaires et interuniversitaires d’accueil, d’orientation et d’insertion professionnelle des étudiants (SCUIO)) they will also have a special role in maintaining data on student outcomes and destinations. Each Office will be required to present an annual report to its university’s Council of Studies and University Life. To support their establishment, the French Government will provide €4.6 million in 2009, growing to €13.8 million in three years.

(b) Australia’s approach to student orientation

Australia’s universities, public and private, are selective and assess students on the basis of their performance in their final year at school. In some instances, particularly for health related courses (medicine and physiotherapy in particular), performing arts and design courses, an interview is also required. Some courses require external tests in addition to final school year results. Different procedures apply for mature age students, or those who have taken more than a 12 month break between finishing secondary school and starting at university.

The fixed number of student places effectively limits supply and has resulted in strong competition for university places. At its worst, the number of people hoping to enter higher education but unsuccessful in obtaining a place reached 36,100 in 2004. However, in recent years, a significant increase in the number of Australian Government student places and a buoyant labour market has seen demand for higher education decrease significantly: unmet demand for university places decreased to 12,600 in 2008. At this level, it was considered that all students who were capable of undertaking university study, had in fact been offered a place. In 2008 more than 10 per cent of place offers actually went to students who had technically failed their final year of school, that is, had received a score of less than 50.

Unless special admission criteria apply, students gain entry into university places on the basis of their grades in their final year of schooling. Courses with high student demand require very high grades for entry. The marks required for the most competitive courses, such as law and medicine, have continued to grow. But in recent years the marks required for entry into less popular courses, such as science, engineering, nursing and the social sciences have decreased. Selection thresholds also vary according to university, with more

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284 Universities Australia, Applications, Chart I: Year 12 home state 20 years and younger, applications, offers and acceptance by Interstate Transfer Index, 2007, 2008.
popular or prestigious universities generally requiring higher marks for entry due to increased demand for places. For instance to study architecture of the University of Newcastle in 2008, a student required a cut off score of 78.2. At the University of Deakin it was 80.6. At the University of Technology, Sydney it was 88.1. At the University of Sydney it was 93.5.

The admission thresholds for students going to university straight from school are known as “cut off scores”, meaning the score or marks below which people will not be admitted into a particular course. These figures represent student demand, more than the skills or capacities needed to complete the course successfully. For example, in 2007 a student required a final year of schooling grade of 99.45 or greater out of a possible 100 points in order to gain access to a place in the Law School of the University of Melbourne. However, it is not considered that a student needs the competency or intelligence represented by such a mark to be able to fulfil the course’s requirements.

As part of the 2003 reforms, the Australian Government required universities to stipulate an ‘eligibility score’ for each undergraduate degree representing the minimum estimated competency (as represented by a final year grade) required for a student to undertake and succeed in the course. This was done in order to dislodge the link made by many in public debate that a particular course required a particularly high grade in order to meet the demands of the course.

Universities were reticent to provide ‘eligibility scores’, concerned they would lead students to make unfavourable comparisons about the quality of courses, presuming lower scores meant lower quality courses. Nevertheless, universities were required to stipulate the eligibility scores, and they did. In the above case relating to architecture, the ‘eligibility scores’ were 70 at the University of Newcastle (with a 78.2 “cut off”), 50 at Deakin (with a 80.6 “cut off”), 66 at the University of Technology (with a 88.1 “cut off”) and 80 at the University of Sydney (with a 93.5 “cut off). In most instances the eligibility score was well below the “cut off score” but this is not always the case. Universities may still admit students who fail to meet the minimum eligibility score, but it is imposed as a guide to students.

Competitive selection processes has had some impact in lowering drop out rates, particularly in very competitive courses. The drop out rate in medicine, for example, is close to zero. But to some extent, competitive selection increases the chance of drop out for those who fail to get into their first or second choices at university and find themselves in other courses. Nevertheless, these students are able to try to re-enter the course of their choice in the second or subsequent years of their university study if their university marks are strong enough.

Student orientation remains an important element of the Australian education system. The Australian Government funds local networks of schools, careers advisers, and business and industry to provide work experience for every secondary student to help them build their career goals. These networks also have the responsibility of helping secondary students to

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285 For instance, in 2008 the eligibility score for a Bachelor of Arts (Humanities and Social Sciences) at the University of Ballarat was 50. However, the cut off was 45.10.
develop a plan for their future study and work goals, and to understand that university may not be the only path to achieve those goals.\textsuperscript{286}

Commencing in 2004, the Australian Government also directed considerable additional funds to improve the quality of careers advice in Australian schools. This included funding to establish a professional body to set standards and accreditation requirements for all practising careers teachers and reward excellence through national awards. It provided funding for scholarships for careers advisers to build their skills through short courses and work placements in industry to give them direct experience of different professions and workplaces. It provided money to develop professional materials to skill up full time careers counsellors and those required to provide careers advice in schools. It also funded and coordinated forums to bring together schools and industry to build awareness of different job opportunities and the education paths to get there.\textsuperscript{287} Careers Advice Australia was launched in 2005 offering services for young people, parents, schools, career advisers and business and industry in fifteen different languages.\textsuperscript{288}

As part of the 2003 reforms, the Australian Government set up a “one stop shop” for secondary school students hoping to go to university: www.goingtouni.gov.au which provides access to all course information, including student fees, cut off scores, eligibility scores, course duration, course content, delivery and assessment methods, and provides direct links to the university websites. Universities are required to provide the Ministry of Education, Employment and Workplace Relations all necessary data to keep the site up to date in real time. It has recently been suggested that the site should also carry results from the Course Experience Questionnaire and the Graduate Destination Survey.\textsuperscript{289}

The Australian Government also produces an annual Job Guide for students, teachers and parents. Recognising the important influence parents have on student decisions the Job Guide now contains a leaflet for parents, helping them to understand the job market and the variety of education paths which may lead a child to attain his or her career aspirations.\textsuperscript{290} An internet based interactive service called My Future helps younger students start to develop their interest in professions from an early age.\textsuperscript{291}


\textsuperscript{288} See www.careersadviceaustralia.gov.au.

\textsuperscript{289} Australian Government, Bradley Report, page 139.

\textsuperscript{290} See www.jobguide.deewr.gov.au.

\textsuperscript{291} See www.myfuture.edu.au.
(c) Proposals to reform student orientation and selection in France

In 2006, Nicolas Sarkozy, then prospective candidate for the Presidency in 2007, questioned the merits of a system which selects students through failure:

Plutôt que d’orienter les étudiants vers des filières qui correspondent à leur aptitude et au besoin du monde du travail, notre système préfère sélectionner par l’échec après l’entrée et jusqu’à la sortie.

… il n’y a que les naïfs ou les gens de mauvaise foi pour ne pas voir que la sélection est d’ores et déjà une donnée de notre système. Cette sélection, elle s’opère aujourd’hui dans les conditions les plus iniques et les moins acceptables qui soient. Alors je pose la question à tous ceux qui souhaitent que rien ne change dans ce domaine et qui confondent, sciemment ou non, l’égalité des chances qui intègre et promeut en pleine lumière avec l’égalitarisme, qui exclut dans l’opacité et le mensonge : comment peut-on tolérer une telle situation, qui devrait révolter tous ceux qui se disent soucieux de justice et qui proclament leur préoccupation pour l’avenir de notre jeunesse ?

In a later speech he tackled selection head on, arguing that students who worked hard should be able to enter into prestigious courses, and thus by necessary implication, that those who did not, should be excluded:

Je veux que dans l’enseignement supérieur, on n’ait pas peur de dire que toutes les filières ne se valent pas, que certaines sont plus difficiles que d’autres, que ceux qui ont travaillé le plus dur ont le droit de rejoindre les filières les plus prestigieuses … Mais je veux aussi que chaque bachelier qui sort de l’Education nationale ait une place dans l’enseignement supérieur, que cette place corresponde à ses goûts, à ses possibilités et aux besoins du marché du travail, qu’elle le conduise au diplôme et du diplôme à l’emploi.

Sarkozy’s words suggested a strong willingness to consider a transparent and equitable selection process. However, the attempt in the 2007 Law to introduce an element of selection into French universities was modest, leaving it open for conseils d’administration to impose a selection process for entry into masters degrees. This element was introduced with the approval of the Conférence de présidents d’université but it was immediately challenged by

292 « Rather than orienting students to courses which correspond to their aptitude and to the needs of the workplace, we prefer to select by failure some time between the entrance and the exit. Only the naive and the dishonest refuse to see that selection is already part of our system. This selection operates in the most despicable and unacceptable ways. I ask the question of all those who want nothing to change in this area and who confuse, consciously or otherwise, equality of opportunity which purports to integrate and promote egalitarianism while hiding lies: to those who purport to care about justice and who claim to be fighting for the futures of our young people, how can we accept this intolerable situation? »

293 « In higher education, I want us to have the courage to say that not all courses are the same, that some are harder than others, and that those who have worked the hardest should have the right to enter into the most prestigious courses… But I also want to ensure that each baccalaureate graduate has his or her place in higher education, and that this place reflects his or her tastes and aptitudes, and meets the needs of the labour market, that study leads to a qualification and that from the qualification to a job. »
student unions and subsequently dropped from the text at Sarkozy’s instruction prior to its vote.  

It is unlikely that France’s universities will be able to select students openly and fairly in future decades, and thus the patchwork system of illegitimate and “special case” selection processes will continue. This is disappointing for French students, some of whom have the wherewithal to navigate the system, but a significant proportion of whom do not.

Student orientation has been given greater importance in French universities through the 2007 Law. But more could easily be done, particularly to help young people formulate their study and career ambitions during their school years. The French Government may wish to consider funding a series of career education pilot initiatives in schools. This was the approach taken by the Australian Government prior to making a significant commitment to implementing professional career advice in all schools.

In 2002 the Australian Government funded 23 pilot projects to test different ways of delivering career and transition services for young people. In each case, careers and transition advisers were employed to provide information, planning, guidance and advice, and to build relationships between schools, employers, parents and young people. One of the pilots worked exclusively with parents to engage and inform them about the education system and potential career pathways, to help them be more involved with, and helpful to their children making choices.

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CONCLUSION

France has taken strong first steps in reforming its university system. It has implemented long overdue governance reform and announced an ambitious new funding scheme based on activity and performance. These reforms should make universities more independent of the State, more responsive to the needs of their students, and able to build a more vibrant, innovative, collaborative and competitive academic environment.

But there is more to be done. France must now rapidly move to improve its measures of teaching quality and student outcomes, and it could do more to encourage excellence in learning. It can do more to improve student orientation and to resolve the hypocrisy of a system which claims to be open to all, but guards the doors to better resourced and more professionally managed courses.

It is not clear whether the will to reform the higher education sector further exists at the highest levels of government. The President and Prime Minister have fallen silent on the topic of higher education reform and the President’s commitments to introduce selection processes, target public funding to vocationally focussed education and provide transparent performance data seem to have disappeared. Without the political will of the President and Prime Minister, extensive political and sectoral groundwork, the likelihood of any further substantial reform is limited.

Financial circumstances have also changed. With the onset of the financial crises in mid-2008, for which the Government has likely increased its international debt significantly to almost 4 per cent of its gross domestic product, it is unlikely that the Government will have any further funds with which to pursue new reforms.

France and Australia have taken vastly different approaches to reform. After years of inactivity, France has quickly introduced incremental changes in exchange for large increases in public funding. It has been quick to compromise despite having obtained a mandate for significant change at the last Presidential election. Australia embarked on an ambitious and holistic reform of almost all aspects of university activity in 2002. It took years of development, and many months of negotiation including many weeks in the Houses of Parliament. Compromises were also made but they did not substantially detract from the Australian Government’s achievements of its goals.

Australia’s reforms reinforced the autonomy of universities and gave them the liberty to define and pursue their own missions. They guaranteed equal treatment of institutions and students. They expanded the opportunity for all to participate and achieve their potential through the public system.

But Australia’s system remains far from perfect. Participation of students from low socio-economic backgrounds has increased little over the last two decades. When fees were introduced into Australian universities in 1989, low-socio economic group participation was
at 14.2 per cent. The situation is equally concerning in relation to rural and regional students, disabled students and indigenous students.

The high percentage of foreign students in Australian universities, while providing significant revenue for the sector and myriad benefits for Australia’s international relations and trade, challenges universities to find a balance between an internationally focused learning experience and meeting the needs of the Australian workforce. Australia must also look to keeping its foreign student market diverse. Currently more than 80 per cent of international students are from Asia, including 21 per cent from China. Australia must also increase its intake of high quality research students. Even though international students make up 19 per cent of Australia’s advanced research program enrolments, they represent only 3.6 per cent of the international student body in Australia.

Unlike France which has been both slow and largely unsuccessful in reforming its higher education sector until 2007, Australia’s sector has been subjected to near constant reform over the last twenty years. The reforms of 2003 – 2006 have barely had time to produce results before the election of a Labor Government in 2007 and the announcement of another “system-wide rethink”.

In its recent report recommending further reforms to Australia’s universities, a panel of higher education experts has made a number of recommendations to change the system, including to allow universities to set the number of student places in each discipline, and for them to determine which disciplines should be eligible for students supported by government backed loans, and which should not. It has recommended abolishing some of the former government’s initiatives to promote efficiency and accountability.

Interestingly, it has recommended introducing an element of performance pay in tuition funding, but in the case of Australia, it would be no more than 2.5 per cent. Performance criteria would relate not only to teaching excellence and student outcomes, but also on reaching targets to lift participation rates of minority groups and improving the staff to student ratios. When Australia already holds a large quantity of robust performance data, this proposal is underwhelming. France has shown greater courage in proposing 5 per cent performance pay at the undergraduate level, and 20 per cent at the masters’ level. Australia’s new government has something to learn from this move.

Australia also has much to learn from the determination and willingness of French universities to merge their institutions. The creation of a single pluridisciplinary university

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298 Rural and regional students make up 18.1 per cent of the student body, when they make up 25.4 per cent of the Australian population.
299 Indigenous students make up 1.3 per cent of the student body, and 2.2 per cent of the Australian population.
301 LOOK AT DEEWRE STATS FOR 2008.
302 Gillard, Julia, Minister for Education, Minister for Employment and Workplace Relations
of recognised excellence in Strasbourg promises to lift one of France’s higher education institutions into the top echelons of international rankings. Australia’s institutions and their managers have failed to take the necessary steps towards merger despite much debate and great encouragement.

France can learn a lot from Australia in terms of improving teaching quality, measuring and rewarding teaching excellence, governance and human resources management and ensuring universities are efficiently run. It can learn much from Australia’s political tenacity and persistence in the face of opposition.

In what remains of the early period in the five year term of a new government, the Sarkozy-Fillon Government must re-seize the reigns of reform to guarantee France’s future generations a high quality education in a professionally focussed, efficient, flexible, recognised and well rewarded university system. The Government must continue to pursue reform which reduces inflexibility in the system, makes better use of existing resources and gives its students the best chance of success not only in completing their studies within the university’s walls, but in the world of employment beyond them.

Sarkozy’s campaign commitments gave them reason to hope for nothing less.

La cinquième puissance industrielle du monde ne peut pas rester avec des universités aussi peu soutenues, aussi ingouvernables, aussi peu autonomes. S’il doit y avoir un chantier présidentiel, c’est celui de l’enseignement supérieur, c’est celui de la création de campus de niveau européen dans chaque région française et de quelques campus nationaux de retentissement mondial. Avant la fin de cette année, nous aurons proposé aux universités volontaires un statut d’autonomie leur permettant d’organiser librement leurs enseignants, de les payer comme elles l’entendent, d’utiliser leur patrimoine, de signer les partenariats. Je veux que nos universités puissent se battre avec les mêmes armes que leurs concurrents étrangers pour figurer dans le peloton de tête des établissements d’enseignements supérieurs.

304 “The world’s fifth largest industrial economy can not continue with such poorly sustained, ungovernable and dependent institutions. If there is a need presidential action, it is in higher education: to create campuses in each region of France that can compete with the rest of Europe and a number of national campuses that can compete with the rest of the World. Before the end of this year, we will have offered autonomy to those universities willing to take it, enabling them to organise their staff, pay them as they wish, exploit their property holdings, and sign agreements. I want our universities to be armed with the same capacities as their international competitors so they can take their place at the front of the global higher education sector.” Sarkozy, Nicolas, Discours à Nantes, 15 March 2007, page 13.