

SEMINAR
Higher Education and Economic Development

Friday 7 August 2009

Time: 10h30

Venue: Conference room 1B,
New School of Public Health Building,
University of Western Cape

ABOUT THE SEMINAR

In a lesser known but nevertheless influential paper, '*The University System: Engine of development in the new world economy*' (World Bank seminar, Kuala Lumpur, 1991) Castells alerted the World Bank, amongst others, that higher education will have a more, and not less, important role to play in the emerging global economy. Not only did this paper precipitate the beginning of a shift in World Bank thinking, leading to their new higher education policy as embodied in *Constructing Knowledge Societies: New Challenges for Tertiary Education* (World Bank 2001), it also influenced CHET and led to the establishment of the Higher Education Research and Advocacy Network in Africa (HERANA). A key project for HERANA is a study of the complex relationships between higher education and economic development, which includes case studies of three successful systems (Finland, Korea, North Carolina) and eight systems in Africa. It is proposed that members of the HERANA team make a presentation about their work and that Castells responds to it in a seminar format.

SEMINAR PROGRAMME

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| 10h30 | Welcome – Prof. Ramashwar Bharuthram (DVC Academic, UWC) Introducing the Project – Prof. Zubeida Desai (Dean of Education, UWC) |
| 10h45 | Proposed HERANA Project Framework: Pundy Pillay – Extra-ordinary Professor (UWC) Nico Cloete – Extra-ordinary Professor (UWC) |
| 11h45 | Comments on Proposed Framework: Manuel Castells Johann Mouton (Stellenbosch) |
| 12h15 | Discussion |
| 13h00 | Rector's lunch |

AFRICA: Higher education and development

Karen MacGregor
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Several countries have linked higher education to economic development with great success, including Finland and South Korea. Africa, where an upcoming study of university systems across eight countries has unearthed contradictory notions of the role of the university, could draw on international best practice to encourage more flexible, differentiated, networked and development-focused higher education systems better placed to support economic growth.

Preliminary findings from ongoing research into African higher education were presented at a seminar held at the University of the Western Cape, South Africa, and attended by leading international scholar Professor Manuel Castells. He was impressed, he said, by the rigour and relevance of the research and the "audacity" of many of its proposals.

The researchers said they found little evidence of national 'pacts' around higher education and development in African countries, limited coordination between "weak" government departments on funding university projects, too many projects undertaken by academics for "individual advancement" rather than academic worth, and vice-chancellors struggling to juggle competing notions of the role of universities, among other things.

The "Higher Education and Economic Development in Africa" study is part of the [Higher Education Research and Advocacy Network in Africa](#) (HERANA), coordinated by the Centre for Higher Education Transformation (CHET) in Cape Town and comprising research and communication projects, including the *University World News Africa Edition*.

The study is being led by Dr Pundy Pillay, an academic economist, Professor Peter Maassen of the University of Oslo, and CHET director Dr Nico Cloete. There are also three researchers, two research trainees and facilitators in eight African universities.

The research includes a literature review, case studies of systems in Finland, Korea and North Carolina, and macro and micro studies of higher education in eight African countries - Botswana, Ghana, Kenya, Mauritius, Mozambique, South Africa, Tanzania, and Uganda.

"The literature has moved dramatically in recent years in accepting that higher education has a significant impact on economic growth through a range of factors. It supported the need for strong higher education systems in countries at all stages of development, not only when they reach a certain level of development", said Pillay. "The literature also revealed that higher education is a necessary but not sufficient factor for economic development."

Finland was selected for one of the three international case studies because of an outstanding school system on which higher education is based, the clear relationship between economic and education policies, and the country's commitment to equity.

The Finnish system is also flexible, Castells said, as exemplified by the impending merger between three major universities in Helsinki to create Aalto University, based on synergies between the three. The idea of "flexible mergers" could be useful in Africa, not disintegrating institutions but finding synergies and encouraging partnerships and collaboration between them in order to achieve economies of scale and to strengthen institutions.

South Korea has undergone dramatic transformation in the last four decades. "Higher education is also based on quality schooling, but until recently it performed a purely training function and research was conducted in institutes," said Pillay. Three quarters of the higher education system is private, and the focus is on human capital.

North Carolina was selected because it is in the United States and while there is no formal planning there is a close relationship between the state government, higher education and the private sector. It also has aspects of both the first and third worlds, with some excellent provision but also challenges in areas such as access and quality.

The study found strong links between higher education and development, through proactive government policy in Finland and South Korea and informal relationships in North Carolina, and high levels of coordination and consensus on higher education, especially in Finland, Pillay said:

"All three countries have put education at the top of the policy tree. They acknowledge the importance of education generally and higher education in particular for development, and especially economic development. Their higher education policies reflect economic policies." They also have high rates of participation and strongly differentiated higher education.

Castells said North Carolina was one of few US states where, in addition to synergy between universities and companies, the state government had got seriously involved. Still, he prefers the Silicon Valley model - "one of the most important examples of regional technology and science-based development in the world". Its institutional actor was not government but Stanford University, which played a direct and major role in regional development.

He also argued strongly for more differentiated higher education systems in Africa, where the focus has been on building research universities to the neglect of other types of institutions.

"Not everybody has to be a research university and do exactly the same thing. All successful university systems in the world are based on differentiation between different levels and units, on condition that they do not become segregated or induce inequalities. The critical thing is to build a flexible system with passages and bridges within and between institutions," Castells said. The idea is of institutions competing and cooperating at the same time.

The Africa research

The notion of the 'development university' is not new in Africa, said Nico Cloete. However, in the absence of a development framework, universities' lack of contribution to development became an excuse for interference and then neglect. As a result, academics and politicians became sceptical about higher education.

"But there is great enthusiasm for higher education now, and African governments have indicated their determination to invest in higher education," he said.

The HERANA researches looked at national and institutional policy statements in the eight African countries, conducted interviews with officials, higher education bodies and university leaders, and probed quantitative data on national development indicators, higher education and universities.

The micro-studies were of the national universities in seven of the countries, while in South Africa Nelson Mandela Metropolitan University (NMMU) was selected as comparable in terms of size and geography. Each of the universities were asked to identify 10 flagship projects, to further investigate the

link between higher education and development.

The project's analytical premise was that higher education's role in and contribution to development is influenced by three inter-related factors, which are themselves influenced by local circumstances, institutional characteristics and external relations.

The first factor is the nature of the pact between universities, political authorities and society, said Cloete: "There is a kind of pact on the importance of education in many African countries. But it's not translated into policies and is often about personal development and individual mobility, about education to advance yourself."

The second factor is the nature, management, size and institutionalisation of externally-funded projects. The study looked especially at ways in which development projects are institutionalised, and at foreign donors. The third factor is the nature, size and continuity of the academic core. "The issue is how the core is strengthened. If it is not strengthened as part of development activity, then development activity takes a particular form," Cloete explained.

The researchers introduced notions of development and notions of the roles of higher education in development. "We are trying to see if they link up with each other," Cloete said.

There are four crude, non-mutually exclusive notions of development.

The first notion sees development as closely tied to economic growth, with trickle-down to the poor. It is prevalent in Africa, especially in Mozambique and Uganda where there has been high economic growth.

The second notion is human-oriented development that promotes investment in education - a ideal articulated, but not realised, in South Africa. Only Mauritius performs well on the UN's Human Development Index. South Africa and Botswana are held up as model economies but are low on the HDI, with startling differences between economic and social indices.

Third is the notion of equity and development, which only Mauritius has engaged with. "Interestingly, Mauritius has undergone economic transformations from mono-crop to manufacturing and now a service-dominated economy. The education system has not been far behind, and has mirrored developments in economic policy," Pillay said.

The fourth notion is of knowledge and development. Most African countries are so focussed on basic education challenges, said Pillay, "that higher education doesn't feature anywhere on the policy radar". Only Mauritius has linked the knowledge economy and development, while South Africa and Botswana "approached" the research and innovation notion.

The project identified five roles for higher education in development:

* 'Traditional development', with higher education seen as a producer of national manpower. This role was articulated in all countries except Mauritius and South Africa. In Tanzania, the plan is to build the school system before revitalising universities towards producing skilled professionals.

* 'Institutional', with the university as a self-governing institution and a "luxury ancillary". This role was not prominent in any of the eight countries.

* 'New instrumental', with higher education as the producer of skilled professionals, particularly scientists and engineers. Ghana has been manpower-oriented but is moving to a 'new instrumental' approach, which South Africa is also doing so with the creation of a Ministry of Higher Education and Training. Mauritius also falls in this role category. Attempts in Mozambique to move towards a 'new instrumental' approach are being reversed.

* 'Service enterprise', with the university embedded in markets, and meeting and responding to 'community' needs. This is a role seen in South Africa, Kenya and Uganda. In Uganda the assumption is "that the market (private) will drive a 'new instrumental' role". In Kenya there is much talk about science and commerce, but higher education remains mostly traditional.

* 'Engine of development', with the university as the electricity of development in the new knowledge economy. Botswana's Tertiary Education Act articulates the knowledge economy perspective, but it is not reflected in other legislation. Policies in Mauritius are knowledge economy-oriented, while in South Africa there are "flickers" of the knowledge economy in the Department of Science and Technology (DST).

Overall, said Cloete, Mauritius was the only country in which higher education and development policies "speak to each other". Botswana realised that diamonds were not forever, but has not yet linked higher education and economic policies.

South Africa, by creating a Ministry of Higher Education and Training, had "without thinking moved towards higher education as a training goal," Cloete pointed out. "Given the disaster with skills training, this might be a good move, with the DST driving the knowledge component."

Interestingly, he said, "we found university leaders who are trying to run all five notions of the roles of higher education - they are trying to account to all constituencies." The result can be confusion and conflict between how institutions and governments see their roles.

The study also categorised development projects in universities into four types.

In 'triple helix' projects there are enduring links between what governments, academics and funders are trying to do, international academic links, postgraduate training, and connections between the academic enterprise and what is happening in society, Cloete explained.

"There were some great examples, but in every case they were put together by exceptional academics, despite governments and funders." These projects are by far in the minority.

The second type of project was developed by a great individual who was strongly linked to international academic and funding networks and had support from the government. Rather than an academic core, there was a loose coupling with an institution and academic training.

"There were numerous examples of excellent projects managed by outstanding academics. These projects contribute to development but are not tied to institutions and if the leader is run over by a bus the project will end," said Cloete.

The third type of project is a development-oriented consultancy, with transfer of skills by academics mainly to small businesses linked to a particular industry, loosely coupled and with little research and publication. These projects contribute to development, but not to the academic enterprise.

Most projects fell into the fourth type of 'consultancy for individual advancement', which involves an enterprising academic with donor connections (and sometimes NGOs). Students are used as "cheap researchers", research is not systematic and reports, not publications, are mostly produced. This type of project strengthens academics but not necessarily research.

Preliminary findings

The HERANA project's preliminary findings include a surprising lack of agreement around higher

education, development and the knowledge economy, Cloete said. There was a desire for higher education to contribute to development, but weak or absent enabling frameworks.

Castells agreed with the notion of a higher education pact, but stressed the need for specific commitments with timelines and consequences. The process of reaching a pact can be more important than the pact itself. "It is in the process that connections are established, debates are engaged, and people start seeing where differences are and the areas of compromise and convergence."

Government and education departments were "shockingly weak", except for in South Africa and Mauritius, and in Botswana policy was written by outside consultants. There was limited coordination found between government departments and projects in universities. National policies mostly reflected traditional or 'new instrumental' notions of higher education.

Institutional governance, said Castells, was a critical issue for universities everywhere and certainly in Africa, in the same way that poor governance in the institutions of states is the major problem for development in Africa. "If the instrument does not work, nothing else works. So the governance system and governance principles of the university is the core of what should be reflected on, discussed and elaborated."

In many countries, university leaders were weak and too close to the political elite, the researchers found: "Often, second and third layer university leaders knew more about what was going on," said Cloete. Some vice-chancellors worked in difficult conditions, and many tried to juggle contradictory notions of the roles of universities.

Finally, the research found limited attempts to integrate external funding with government priorities or to strengthen the academic core. There were efforts to institutionalise projects but limited support from governments or donors.

Donors, said Castells, were essential to universities everywhere. It was key for donor funding to be concentrated in reliable and strategic people and programmes that were both excellent and important. African universities needed to build fund-raising ability, to target fund-raising at specific projects, and to develop clear funding policies and management strategies.

Networking was also critical, Castells argued, and needed to be supported by universities. The internet has made it easier to network, and there are new models emerging of networked universities. Higher education networks seemed to be largely missing in Africa, and creating regional networks of excellence was critical: "Unless African universities get together they will not have the critical mass to reach the global level."

Castells argued for the development in Africa of entrepreneurial universities that create the capacity for people to directly relate research to what happens in society. Institutions do not have to abandon their other functions, he hastened to add. "But the role of universities in regional development is fundamental. Universities must respond to regional needs, but must also be proactive in identifying regional strategies and supporting them."