

Policy Program Paper

**After the “Lost Decade”:
Where Is Higher Education
in Israel Headed?**

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After the “Lost Decade”: Where Is Higher Education in Israel Headed?

Ami Volansky*

Abstract

With the backdrop of the achievements of the higher education system over the years, the past decade stands out for a decline in the quality of academic teaching and research budgets, as well as non-stop criticism of the administration of higher education. This is expressed, amongst other things, in recommendations for changes through the Economic Arrangements Law. For this reason, this paper refers to this as the "lost decade." The first part of the paper describes the characteristics of the decade; the second half discusses the professional committee's work that recommended corrections and/or improvements required by the system. The third part deals with the work plan of the Planning and Budget Committee 2010-2016, which is focusing primarily on correcting the complications of the past decade in order to renew and revitalize the academic system. The final portion of the paper

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examines the directions that are missing in the work plan as well as the overall renewal of accessibility policies, the role of higher education as a response to Life Long Learning, formation of a new policy of institutional responsibility for quality, alongside releasing the bureaucratic "bottle neck" for approving academic programs, and the need for academic policy to insure high quality candidates for teacher training programs. This section of the paper also proposes a new theoretical and practical structure similar to the levels of development in other educational system around the world.

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Introduction

The rapid growth of Israeli higher education between the second half of the 1990s and 2010 represents an achievement for the education system as a whole. Within a relatively short period of time the gates of higher education were opened to nearly one in two Israeli young adults; in 2008, some 45.8 percent of the age cohort was admitted to institutions of higher learning, compared with an acceptance rate of one in five in 1990 (21 percent of that year's age cohort).¹ This change is also manifested at an attitudinal level within Israeli society. The expectation that one will pursue higher education has become prevalent among broad swathes of the population, and there has been a growing recognition that post-secondary schooling is no longer the exclusive province or privilege of the upper two socioeconomic deciles but is, rather, a universal resource, one that is open and accessible to large portions of the population. The achievements of the Israeli higher education system are also evident in terms of research. Israel has been ranked third internationally in terms of the number of scientific publications per million residents (for the period 2001-2005); Hebrew University, Tel-Aviv University and the Technion have been ranked among the world's 100 best academic institutions in the natural sciences (for the period 2004-2009);² and Israel's citation rate to wealth ratio is third globally, after Switzerland and Sweden (Kirsch, 2010). Between 2000 and 2011, five Israeli scientists won the Nobel Prize, while yet another earned a Fields Medal in mathematics.³

¹ In Israeli institutions of higher learning only.

² The Weizmann Institute is not included in these rankings since it is considered a research institute and not a university (Kirsch, 2010, page 35).

³ The Fields Medal is similar in status to the Nobel Prize.

To the above achievements one may add the higher education system's contribution to the national economy. Forty-one percent of Israel's growth in GDP during the 1970s and 1980s can be attributed to investment in research and development; 29 percent of the growth in GDP can be ascribed to a rise in educational levels; 70 percent of Israeli patents are based on academic research. Overall, throughout the years of its existence, Israel's higher education system has displayed sensitivity to the changing needs of Israeli society and of the Israeli economy, and has adapted its development to meet these needs (Volansky, 2005).

These impressive achievements of Israeli academia notwithstanding, the past decade cast a dark shadow on the system's ability to maintain its performance at the level described above. Undesirable developments that arose primarily during the first ten years of the twenty-first century are threatening to undo the progress that has been made. Nearly every component of the system, except for the issue of access, which had garnered support and encouragement in earlier decades, eroded over the past ten years. What happened to the system during the decade that we refer to as "lost?"

1. Characteristics of the "Lost Decade"

The year 1993 marked a turning point for Israel's system of higher education. In December of that year, the Council for Higher Education (CHE or the Council) decided to base system expansion on an upgrading of the status of colleges, rather than on the founding of a new university, which released creative and innovative energy. A plethora of ideas which had lain dormant for developing new fields of study and creating new organizational formats for higher education, a myriad of pent-up ambitions regarding academic innovation and the transformation of existing colleges into autonomous academic

institutions were granted legitimacy and recognition by the Council for Higher Education. This period can be looked upon as an eruption of innovativeness that characterizes Israeli society that was given free rein.⁴ The Council's decision to upgrade the colleges was supported by a government decision in 1994,⁵ as well as by an amendment to the Council for Higher Education Law in 1995, that affirmed that the status of degrees awarded by colleges is equal to that of degrees awarded by universities.⁶ This shift in higher education policy gave the green light for rapid growth in the academic sphere, and for a considerable expansion of the structure of educational opportunity. This policy change is what made broad access to higher education possible – at a time when the great wave of immigration from the former Soviet Union constituted a major background consideration. Following the 1993 decision, 43 institutions were added to Israel's higher education system – institutions that, by law, were entitled to the status of an accredited institution of higher education.⁷ The expansion included “non-budgeted” i.e., non-budgeted institutions, teachers colleges, technological colleges and regional or general colleges.⁸ The expansion facilitated a nearly three-fold increase in the number of

⁴ The book *Start-Up Nation* (2009) deals with the Israeli economic miracle. The authors, Dan Senor and Saul Singer, describe the cultural characteristics of Israel. Many of the traits that are described in the book fit with the descriptions of entrepreneurship and innovation at the time of the establishment of the colleges.

⁵ This ruling, after a heated argument in the Council for Higher Education, was led and implemented by Prof. Amnon Rubinstein as the Minister of Education and the Chairman of the Council of Higher Education, and Prof. Amnon Pazi, Chairman of the Planning and Budgeting Committee (PBC).

⁶ Amendment No 10 to the Council for Higher Education Law from 1995.

⁷ The number went from 23 institutions in 1993 to 66 institutions in 2011.

⁸ In 1993 there were seven academic colleges in Israel for training teachers, five general colleges, two technological colleges, and one externally-budgeted institution.

students pursuing academic study, from 118,000 in 1993 to 290,000 in 2009, resulting, effectively, in the universalization of higher education in Israel.

But this rapid growth also carried with it certain painful costs. The **first** of these relates to the legislation itself. The law named the Council for Higher Education as the body authorized to approve academic programs of study. This meant that the Council was gradually inundated with approval requests for new study programs operated by institutions that were granted to academic status from the mid-1990s on. It is in the nature of a higher education institution, as a living, dynamic entity, to want to spread its wings through the development of new programs of study. As the number of institutions grew, and as these institutions' natural desire to adapt themselves to a changing environment and changing needs intensified, the Council was faced with a growing number of requests to approve new academic programs. This in turn created a bureaucratic bottleneck; in 2009 some 450 programs were awaiting CHE approval.⁹ While the traditionally centralized program review and approval structure had suited a system based on just eight universities, it turned out to be wholly unsuited to the needs of a system comprising 66 institutions. The CHE's customary review process was ill-equipped to deal with an institutional pool ten times larger than the one that had been in existence when the CHE Law was originally passed in 1958.¹⁰ The

⁹ This figure was given by Prof. Manuel Trajtenberg in his lecture at the Sha'ar Conference on 25 December, 2009.

¹⁰ Approval was given for a new program of study in four main stages. The first stage was a preliminary examination by the PBC of the need for the program. The second stage was the establishment of the professional committee of the Council for Higher Education comprised of volunteer experts from amongst the academic staff in the relevant field. The third was an evaluation and judgment regarding the proposal by the Council in light of the professional committee's recommendations. After confirmation of the preliminary program and the approval to begin student registration, a committee was established to

CHE program approval process had been reasonably efficient when 90 percent of Israeli academic activity was taking place in the universities. However, the higher education system's rapid expansion led to a blockage of the Council's decision-making channels. The logistics of investigating so large a number of academic programs, and the difficulty of recruiting such a large number of academic faculty to volunteer their time on CHE-appointed review committees, made it impossible for the Council to meet its commitments within a reasonable timeframe; new study programs waited for accreditation for periods of five or even six years (OECD, 2010). Their desire to remain on good terms with the CHE notwithstanding, anger and resentment grew and was expressed more than once in letters and in pointed remarks at conferences and meetings.¹¹

The **second** price of the "lost decade" was that of cumulative budget cuts of 25 percent during the period 2001-2007, due to across-the-board cutbacks in governmental activity (Prime Minister's Office, the National Economic Council, 2007), as well as a 26 percent reduction in university tuition that the institutions absorbed without compensation due to burdensome state pension debt and large security and administrative expenses (*Report of the Committee to Examine the Higher Education System in Israel* (the Shochat Committee), 2007). This budgetary erosion became an ever-tightening noose around the necks of the institutions, and led to an erosion of research budgets and to a change in the ratio of senior faculty to students. For example,

accompany the process for three years from the start of the program. The final stage was a recommendations to the Council (if there are no changes or improvements required in the program) to grant permanent approval to the program.

¹¹ At a conference held on 15 May 2008 at Tel-Aviv University, the heads of colleges raised this issue for discussion. In interviews that were conducted with the OECD team (2010), the heads of the institutions noted the difficulty that results from the time that it takes to receive approval for a program of study from the CHE.

while in 1990 there were 17 students per senior faculty member, by the 2008-2009 academic year this ratio had risen to 24 to 1. To compare: the numerical senior faculty to student ratio at leading universities around the world is 1:10.¹² This change in ratio has a direct impact on academic quality, in terms of the amount of time devoted to instruction, class size, teaching load, and the sheer physical availability of faculty members on campus: all of these quality components deteriorated over the past decade.

A **third** price that has emerged over the last ten years is the rising average age of senior faculty members. In 2009 the median age of Israeli senior academic faculty was 53.5,¹³ versus 46 in the 1979-80 academic year. The 1970s and 1980s were years of growth for the country's universities, which absorbed a relatively young faculty of instructors. The rate at which new faculty were hired slowed during the 1990s, reaching a near halt during the 2000s. For example, Tel-Aviv University cut out some 400 faculty positions over the past decade and ceased hiring young faculty members,¹⁴ measures that contributed to the rise in their median age.

The age of faculty members has an influence also on the research productivity. A comparison of the faculty age in Israel and other countries illustrates this issue.

¹² <http://www.brainreturn.org.il>; and primarily at private universities.

¹³ <http://www.cbs.gov.il/hodaot2010>.

¹⁴ <http://www.yedidim-tau.org.il>.

Table 1. Age and average of university senior academic faculty – comparison to selected countries

Country	Year	Average age	% to age 35	% to age 44	% age 55+
U.S.	1998	49.4	5.7	33.2	32.2
England	2002/3	46.3	16.0	48.0	16.9
Australia	2002	48.2	7.7	36.8	24.9
Israel	2005	53.4	2.0	21.4	48.3

Source: Report of the committee for examining higher education (Shochat Committee) (2007), page 187.¹⁵

A **fourth** price of the "lost decade," that began in 2000, was a corruption of the academic ethos. The CHE's 1993 decision was aimed at achieving two specific policy objectives: the first was enhancing access, especially by means of the colleges; and, the second was increasing research output by encouraging the pursuit of advanced degrees at the universities. While the access objective was attained to a degree that surpassed all expectations and prior planning, the university activity objective encountered unanticipated difficulties. In addition to the cumulative budget reduction and its aforementioned consequences, a culture of "taking shortcuts" on the way to an academic degree became more ingrained within the system (Volansky, 2005; Weiler and Friedman, 2001; Kfir, Fresco and Binyamin-Paul, 2003). This culture is manifested by a reliance on summaries and abstracts rather than on full texts; in a constant struggle to get students

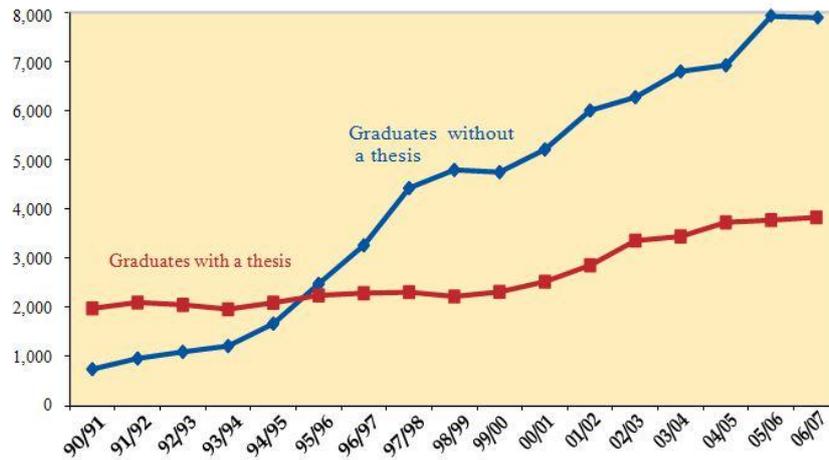
¹⁵ Every comparison to Israel must take into consideration the norm of three years of army service.

to read the required material listed in course syllabus; in a growing supply of intensive study programs that schedule classes on one or two days per week; in the submission of co-authored assignments; in the misuse of digitized information, e.g., locating academic papers that have been scanned into databases, copying them in part or in whole, and submitting them as one's own work (a relatively easy task in the digital age); in a proliferation of services selling academic research papers online;¹⁶ in competition between institutions, where the institutions pride themselves on the degree to which they have lowered their requirements, rather than emphasizing the role of personal effort in earning an academic degree; in a growing proportion of grades within the 90-100 range. To this one may add a rise in the number of university Master's degree programs that do not require a thesis,¹⁷ in contrast to the CHE master plan that sought to enable the universities to focus on research, as noted in the following figure taken from a PBC report (PBC, *Report No. 34/35 for the 2006/7 and 2007/8 Academic Years*, p. 70).

¹⁶ One of the amusing instances was a proposal that I received to my email that was addressed to students in my course offering to write their term papers for payment.

¹⁷ In Israel there is an on-going debate about the value and weight of a second degree that includes a thesis. It has been suggested several times to do away with the Master's degree completely and to give preference to a more in-depth learning and research component as part of the doctorate as is the norm at universities like Oxford or Cambridge.

Figure 1
Recipients of second degrees, by course of study
 1990-2007



Source: CPB, Report number 34.35 for 2006/7 and 2007/8, figure number 3.10, pp. 70.

Original data taken from the Central Bureau of Statistics.

The figure indicates that, in contrast to declared CHE policy,¹⁸ beginning in 1996/7 until 2007/8¹⁹ there was a steep rise in the number of those completing non-thesis Master's degrees. In addition to this trend toward decreased research output at the Master's degree level, there were additional extra-budgetary programs that moved even farther away from research. It has been estimated that some 50 extra-

¹⁸ Discussions on this topic took place in the Council for Higher Education in December 1993 and in a decision from 1999 when the PBC program was up for discussion.

¹⁹ 2008 was the end of the measurement period as reported by the PBC. There is no data about the development of this trend after this academic year.

budgetary programs are currently run by Israeli universities, comprising 3,000 students, which is some 7 percent of all Master's degree students in the universities – with no research-thesis requirement (*Haaretz*, 26 October 2011). This study track became a source of income during an era of budget cuts; by paying tuitions that range from NIS 35,000 (about \$10,000) to \$42,000 one can complete a Master's degree within three to four semesters. The Shochat Committee addressed this development in the following terms (Report of the Committee, 2007):

The extra-budgetary teaching programs, which confer academic degrees in an accelerated process, divert instructional manpower and other resources from their primary purpose, namely research. Many of these programs emerged against the background of budgetary constraints with which the universities were faced. Thus, in addition to increasing resources we should also reduce the number of extra-budgetary teaching programs

Once the universities embraced the extra-budgetary program concept it became clear to them that an academic unit can manage its affairs more easily, from a budgetary perspective, if and when it increases the number of those enrolled in extra-budgetary programs; these programs thus became vital sources of income for publicly-budgeted institutions. The relative ease with which budgets could thereby be obtained led to a conscious compromise on the issue of academic quality,²⁰ which in turn contributed to the academic "shortcut" culture that has permeated the system. From this point on, tempting financial opportunities began to trump considerations of

²⁰ This development was accompanied by tensions that tainted the atmosphere between those who saw a higher academic ethos as the motivation of their mission and goals and those who sought to ensure a quick and balanced budget.

academic quality, resulting in an erosion of the academic ethos in which research and good teaching are paramount.²¹

This particular development has additional consequences that touch on public policy of higher education: the advent of the extra-budgetary programs was a watershed moment in the development of the university as an educationally "quasi" economy, with both public and private components. Though the Shochat Committee correctly describes these programs as a response to budget cuts, this is not the only explanation. An additional reason is that universities became aware of the advantages of adopting flexible management strategies. Non-budgeted institutions are not bound by collective agreements relating to tuition and faculty-wages, or by the PBC's academic planning constraints.²² This operational flexibility enjoyed by one kind of institution contrasted starkly with the restrictive environment imposed on the other kind of institution and it conferred a competitive advantage on the non-budgeted institutions, as reflected in a continual drain of distinguished faculty members from the universities to institutions operating in a free-market environment (*Haaretz, The Marker*, 21.1.2011). What is more, CHE satisfaction surveys pointed to higher student satisfaction levels in the non-budgeted institutions than in the budgeted institutions (PBC Report, 2006/7; 2007/8).

A **fifth** price that characterized the past decade was an attempt to curtail the CHE's academic freedom via the Economic Arrangements Law. Three separate bills were submitted, one after another, as the first decade of the 21st century neared its end. The first of these, in

²¹ On the development of a culture of "corner cutting" in higher education see Chapter 5 in Volansky, 2005.

²² These institutions focused primarily on granting degrees in administration, finances and law; areas where the level of academic demands are high. The process was strengthened during the mid-1990s when the law colleges received academic approval from the Council for Higher Education and when international extension programs of foreign universities became Israeli institutions according to the law from the mid-2000s.

2008, sought, essentially, to nationalize the PBC and make it subordinate to the Ministry of Education; the second, in 2009, tried to change the PBC's composition and ensure a government-imposed majority; while the third, in 2010, tried to direct research.

The original campaign to enact the Council for Higher Education Law during the 1950s was informed largely by a desire to safeguard intellectual freedom in academia. Three different bills were submitted for deliberation during the period 1952-1958, before an agreement was reached regarding political non-intervention in higher education. The three new bills submitted in 2008-2010 within the framework of the Economic Arrangements Law sought to change the CHE Law in fundamentally while moving it backwards.

The desire to direct research in specific directions came up against a high wall of opposition during the 1950s, when a long list of Knesset members cautioned against the governmental tendency to interfere in higher education (Volansky, 2005). Those heads of the Israeli academic institutions at that time consistently rejected any form of cooperation that might have restricted the absolute freedom of scholarly inquiry, and opposed all attempts to impose an apparatus of governmental control on higher education. Ultimately, the controversy over the PBC's establishment and its possible impact on academic freedom lasted for twenty-one years, ending only once an agreement was reached regarding the kind of planning to be engaged in, and once it was affirmed that the budgeting in question would not be subject to strict governmental dictates.²³ Although the process by which the

²³ The argument centered on the composition of the members who would decide the PBC budgetary allocation goals. Over the years the government asked to insure its dominant status with a majority in representation on the PBC, a matter that the representatives of institutions of higher learning objected to. A compromise was found when it was decided that the government would have public figure representatives but the majority of the members, including the chairman of the committee, would be from institutions of higher learning; in

PBC managed the academic institutions was not entirely tension-free in terms of relations with the government, it was a process that all of the relevant parties found satisfactory, and in which the PBC's authority and autonomy were tenaciously upheld.²⁴ The Economic Arrangements bills relating to the CHE threaten to undermine the past agreements reached between the government and the academic institutions, as may be seen in the rationale given for the proposals. The 2008 bill sought to wrest responsibility for academic evaluation from the CHE and to assign it to the Ministry of Education, as an intra-governmental unit. That bill also sought to institute a system whereby institutional budgets would be determined by measurable academic output, to be assessed via an operational apparatus of the Ministry of Education (the Knesset, 2007). Additionally, the bill stipulated that the Ministry would be responsible for "professional guidance of parties within the higher education system with regard to evaluation and measurement, for purposes of internal control of the institutions of higher education" (the Knesset, 2007).

The idea that higher education budgeting should be based on the findings of evaluations carried out by a unit of the Ministry of Education translates, essentially, into a dismantling of the PBC and a subordination of the budgeting function to the National Authority for Measurement and Evaluation in Education (known by its Hebrew acronym, RAMA), in the Education Ministry. Had this bill been enacted into law, it would have effectively nationalized the PBC.

The second bill, submitted as part of the Economic Arrangements Law of 2009, sought to ensure a governmental majority within the PBC. The rationale provided was as follows:²⁵

this way the independence of research would be ensured as well as the avoidance of governmental interference through its representatives.

²⁴ Legal authority was given to the PBC through a government decision from June 1977.

²⁵ <http://ecowiki.org.il/index.php?>

In practical terms, the PBC operates with a panel of seven members: four university professors ... one senior faculty member from each of the budgeted academic colleges, and two public representatives ...

On the face of it, under this circumstance members of the PBC (who also serve on the faculties of institutions budgeted by the PBC) are liable to be involved in conflicts of interest, whether real or apparent, between their regulatory and budgetary role for the higher education system as a whole, and their functions within specific academic institutions.²⁶

The Economic Arrangements Law of 2009 therefore proposed:²⁷

It is recommended that the PBC be composed of the following seven members: four representatives of the public (including three to be appointed by a public committee and one to be appointed by the Minister of Education, with the approval of the public committee), two representatives of the universities, and a representative of the colleges. The PBC chair will be appointed by the Minister of Education, and chosen from within the PBC membership.²⁸

²⁶ This proposal was made following the State Comptroller's Report from March 2009 that focused on problems of supervision of the PBC and on the treatment of wage issues in the universities and accordingly the report recommended considering a change in the composition of the PBC in a way that would increase the number of public representatives on the committee.

²⁷ <http://ecowiki.org.il/index.php?>

²⁸ Until now, the chair of the PBC was selected through a secret ballot of the members of the Council for Higher Education according to a recommendation made by the Minister of Education after consultation with the heads of institutions.

A third proposal in the Economic Arrangements Law for 2010 sought to institute research "targeting" (the Knesset, 2011). This proposal called for a professional committee, to be appointed by the Minister of Industry, Trade and Labor and the Minister of Science, to formulate recommendations for focusing governmental policy on state-funded research and development, to be submitted for government approval. The bill stipulated that the professional committee's recommendations include a "proposed minimum investment rate to be allocated to a major field of research out of the total governmental research and development investment, as well as a proposed minimum investment rate for two research areas of secondary priority" (The Knesset, 2011). The bill rationale states that:

Israel's national investment in research and development as a percentage of the GDP is the highest in the world, amounting to 4.9 percent in 2008. The Israeli government's investment in research and development is concentrated primarily within the higher education system, the Office of the Chief Scientist in the Ministry of Industry, Trade and Labor, research institutes and state hospitals. However, Israel currently has no systematic R&D policy regarding any part of this research and development chain, due, among other things, to the fact that there is no entity charged with the tasks of evaluating the R&D sphere as a whole, assigning priorities to its various components, and ensuring coordination between them. **The existing situation as described above prevents investment from being targeted toward areas of national importance**, and leads to a dispersion of research efforts between many disciplines. Over the years the government has been prevented from setting clear and consistent priorities for the support of research and

development in areas where Israel enjoys a comparative advantage. **The existing situation in Israel opposes the global trend, in which the government makes policy decisions to target efforts and resources toward R&D in defined, pre-selected fields of research and development** (present author's emphases).

Although the PBC chair was supposed to serve as a member of the new forum, and although the committee's decisions were supposed to be subject to approval of the chair, as well as to that of the Chief Scientist in the Ministry of Industry, Trade and Labor, the bill as formulated constitutes an emasculation of the PBC and a downgrading of its status, as well as a major impediment to the actual operation of the Council – the entity legally mandated to develop Israeli research and scientific inquiry. According to this new Economic Arrangements bill, research in Israeli academic institutions would be guided by the recommendations of a governmental committee after having been submitted for governmental approval. The rationale behind the establishment of the PBC, as well as the government's June 1977 decision regarding the PBC's authority might have been entirely erased in the framework of the new Economic Arrangements Law. The bill led to the preparation, for submission to the Attorney General, of a comprehensive review of the academic and parliamentary arguments that had been successfully invoked over the years to prevent political intervention in the sphere of academic research. Amongst other things, the review said the following: "It is unlikely that the great inventions produced throughout history by scientists would have seen the light of day without absolute freedom of thought and inquiry ... There have always been efforts to penetrate the creative mind of the researcher and to channel his work into specific pathways. Systems of higher education have reached greater heights of achievement when legislators, governments and legal systems have shielded them from intervention on the part of governmental

authorities."²⁹ In the wake of this review, Minister of Education Gideon Sa'ar announced the withdrawal of his support for this section of the Economic Arrangements Law. The PBC chair also announced, in a separate letter, that the proposal had been abandoned; he moreover noted the review's contribution to the decision to freeze the 2010 Economic Arrangements bill.³⁰ Addressing the same topic, Prof. Zehev Tadmor added, in a paper on science policy, that any attempt at top-down guidance of scientific research, even via scientist committees, is doomed to failure because no one "can predict very specific promising directions" (Tadmor, 2011).

The background to the three bills is not new. The tendency to try to direct academic research is a venerable one, and is fixed in the various legislative efforts that arise from time to time. The attitude behind these initiatives is that "he who has the money, makes the rules." Three Economic Arrangements bills in a row are a clear indication of ongoing dissatisfaction with the way in which the institutions of higher learning are currently being managed.³¹ The struggle is not merely over authority but is, rather, focused on the idea that public policy in the research and teaching sphere should intensively address disciplines crucial to economic development, such as the natural sciences and engineering, while other disciplines that in high-demand can be studied at institutions not budgeted by the state and should not, as a rule, receive governmental support, as also suggested in the 2008 Economic Arrangements bill.³²

²⁹ A survey that was sent to the Attorney General, Atty. Yehuda Weinstein, from 4 July 2010.

³⁰ A letter from Prof. Manuel Trajtenberg, Chair of the PBC, from 19 July 2010.

³¹ Over the years there has been criticism as well as ironic comments made at the various discussions with decision makers or lawmakers regarding the benefits of a core curriculum especially in the field of humanities.

³² Knesset, Economics Arrangements Law, 2008: Elimination of budgeting for disciplines in institutions of higher learning. In the proposed law it says "to direct the PBC to stop budgeting institutions of higher learning for first degree

The motives behind the aforementioned Economic Arrangements bills are attributed by Dr. Udi Nissan, former Head of the Budgets Department in the Ministry of Finance, to longtime PBC inadequacies. An inability to plan for the long-term, an imbalance between quality and excellence and access, and problematic management revealed the PBC to be an “emperor without clothes,” making it necessary for the Finance Ministry to initiate, during 2008-2010, Economic Arrangements bills capable of addressing the deficiencies that had come to light.³³

We have now elucidated the salient features of the “lost decade”: a bureaucratic process that is complicated and drawn out for new academic-program approval; budget cuts that affected every quality indicator relevant to higher education; diminished research output on the part of the universities; a rise in the weight of higher education as a private-consumption product versus higher education as a public-consumption product; the Finance Ministry’s loss of confidence in the PBC’s leadership; and a resulting intensification of efforts to target research and teaching and to undermine the traditional authority of the PBC and the CHE – all in the space of one decade.

2. Professional Committee Recommendations

If a consensus exists within Israeli society on any topic, it is that of the higher education system and its essential contribution to society and to the economy. Nearly all aspects of this contribution have been documented – its impact on employment, on wages, on social mobility, on patent registration, on technology transfer to industry,

students studying business administration, accounting and law beginning in the academic year 2008/9, in accordance with which the budget for higher education will be reduced by NIS 80 million.

³³ Interview with Udi Nissan from 30 June 2011.

and on the Israeli academic faculty's international standing as a function of the number of Nobel Prize winners that have emerged from within its ranks over the past decade. It is thus only natural that these achievements be regarded as a social and economic growth engine on which we should continue to rely in the coming years. Professional committees active in this area since 2007 identified the current crisis in the higher education system and, in their reports, pointed to potential directions for advancing scientific research and employing it as a means to reduce social disparities. These reports, each in its own way, have helped illuminate desirable and recommended channels for future activity. Let us now look at these proposed “vision statements” for the Israeli higher education system.

The connection between the labor market, economic growth and higher education has been elaborated in numerous policy documents, notably one issued by the National Economic Council in the Prime Minister's Office, *A Socio-Economic Agenda for Israel, 2008-2010* (2007). The document, which was prepared under the leadership of Professor Manuel Trajtenberg, then head of the Council, views economic growth as a major operational objective to be pursued in the context of fighting poverty, the means to this end being increased employment as well as support for education, including science, technology and R&D. The report addresses the fact that, while the weight of two specific groups within Israeli society as a whole, the Arabs and the ultra-Orthodox, amounts to 25 percent, these groups account for 60 percent of Israel's poor. Since the relationship between employment and poverty is significant, any attempt to break the cycle of poverty must necessarily integrate the two groups in question into the labor market. However, in order to escape the cycle of poverty one must acquire relevant schooling; the document's authors accordingly recommend creating new vocational study tracks, including programs to be operated by institutions of higher education, in order to train and

prepare those affiliated with the two groups for integration in the employment market (National Economic Council, 2007).

It is no coincidence that one of the growth objectives defined in the National Economic Council document is to raise the labor market participation rate of those aged 25-64 (National Economic Council, 2007); the higher education system is expected to contribute to such a development by, among other things, creating conditions in which higher education can be pursued by Arab women, whose labor market participation rate is particularly low.

The state of higher education moved the government to appoint a committee to formulate recommendations for resolving the ongoing crisis. The committee, headed by former Finance Minister Avraham Shochat, was appointed by Prime Minister Ehud Olmert, Minister of Finance Roni Bar-On, and Minister of Education Yuli Tamir. The committee's recommendations, which were submitted to the government in 2007,³⁴ affirmed that academic renewal would depend on budget increases for basic research at the universities; the hiring of high-caliber faculty; an expansion of the circle of post-doctoral and doctoral students; improved teaching quality; and a concerted effort to improve research. The committee also recommended: limiting the creation of extra-budgetary programs;³⁵ increasing institution's operational flexibility, including a degree of flexibility regarding the wages of outstanding instructors; and funding institutional recovery programs. Another recommendation was that of further cultivating the

³⁴ Amongst the committee members Professor Yuli Tamir, Minister of Education; Prof. Menahem Yaari, President of the National Academy of Science; Prof. Shlomo Grossman, Chairman, PBC; Prof. Manuel Trajtenberg, representative of the Prime Minister's Office; Prof. Jacob Ziv, member of the public; Prof. Reuben Gronau, member of the public; Dr. Leora Meridor, member of the public; Koby Haber, Budgets Supervisor, Ministry of Finance.

³⁵ The report restricted its recommendations by stating that programs of special value academically or socially should continue, as well as programs that are specifically for students from abroad.

“binary” model whereby the colleges focus on teaching and on imparting occupational skills to students, while most research funding is allocated to the universities.

While the committee’s recommendations were primarily concerned with the quality of teaching and research, the issue of access, as measured in terms of the percentage of each relevant cohort admitted as first-year students to higher education institutions, was presented as a stumbling block to the improvement of academic quality. The committee therefore proposed limiting access to a rate identical to that of the natural growth of the population, i.e., 2 percent per year on average,³⁶ by adding only 14,000 students to the system over the course of five years. The committee also recommended admitting 4,000 students to undergraduate study in the natural sciences and engineering, to be offset by “a corresponding reduction in the number of students in the social sciences, who will be absorbed by the academic colleges” (*Report of the Shochat Committee on Higher Education*, 2007). The justification for curtailing access to higher education was explained as follows (Ibid, p. 6):

Colleges have been established in numbers that exceed what is needed, university teaching frameworks have been expanded, and this in addition to an obsolete budgeting system – a situation resulting in compromised efficiency ... which led to a major deterioration in the quality of both research and teaching ... An atmosphere of cooperation has

³⁶ In the course of the 1990s until the mid-2000s the average growth in the higher education system was 19.2 percent in the colleges and 3.6 percent in the universities. As a result of budget cuts the PBC has, to some extent, slowed down accessibility although it remains double the rate of natural growth and was 4 percent in 2006.

been replaced by fierce competition over the dwindling resource pie, leading not infrequently to encroachment by one institution on the academic territory of another.

Over the last two years the rate of growth in the number of new students has slowed. According to forecasts, this trend will continue in the coming years.³⁷ This slowdown is making it possible for the higher education system to correct the defects that have emerged within it over the past decade.

The rise in access since the mid-1990s is presented in the report as a millstone around the neck of academia, and as a reason behind the decline in the system's performance and quality. Moreover, the system's expansion beyond the bounds of the original planning is represented as a direct cause of the dwindling of the resources available to the system as a whole. Thus, the five-year plan is portrayed as a "one-time opportunity to reinforce past achievements while emphasizing the idea of excellence, without which no higher education system worthy of the name can be established" (*Report of the Committee*, 2007). In order to realize these objectives, the committee recommended a NIS 2.5 billion budget increase over five years, and a lowering of the banner of access that the CHE had raised.³⁸

³⁷ The PBC Report No 34/35 for 2006/7 and 2007/8, page 56, explains the issue of the reduction in accessibility as a result of cumulative budget cuts and not as due to the reason that is understood from the explanations in the Shochat Report. That is, despite the cutbacks, the level of accessibility in 2006/7 (the time of the writing of the report) was 4 percent, double the accessibility rate that was recommended by the committee.

³⁸ In the public system there is an accepted norm to update budget for natural population growth. Thus, the recommendation of the committee to allow a growth of 14,000 students over five years is nothing more than accounting for natural growth and should not be viewed as real growth.

Koby Haber, a member of the Shochat Committee and Head of the Budgets Department of the Ministry of Finance at the time the report was written, clarifies the considerations that moved the committee to recommend slowing the rate of access to higher education. According to him, a significant rise in demand, both at the universities and, in particular, the colleges, had been created for the social sciences – a branch of study whose contribution to the economy is limited,³⁹ at a time when the state's needs dictated an emphasis on “engineering, technology and science, and after the elimination of the education system's technology track and the subsequent crisis in the technological occupations, we thought it would be better to slow down the rate of access over the coming years and increase investment in research.”⁴⁰ Haber's statement does indeed shed light on certain issues that arose during the period of the Economic Arrangements bills, as well as on the considerations of the Shochat Committee. The statement focuses attention on the essence of the dispute that emerged over the past decade between the Ministry of Finance and the higher education system's leadership, and on the conclusions to be drawn for the future.

A third document, one chapter of which is devoted to the higher education system, was produced by a team headed by Professor Zehev Tadmor. At the initiative of the United States-Israel Science and Technology Commission, a paper presented by a public committee headed by Eli Hurwitz and edited by David Brodet was submitted to the government in 2008. The paper, entitled *Israel 2028: Vision and Strategy for Economy and Society in a Global World*, is concerned with shaping Israel's economic-social image in anticipation of the country's eightieth year, with an emphasis on the contribution of the

³⁹ It is worth noting that in the 1950s, 1960s and 1970s humanities studies in Israel were considered very strong worldwide.

⁴⁰ Interview with Koby Haber from 6 June 2011.

higher education system. The report's working assumption is that specific, focused change processes have the power to lead the Israeli economy to a per capita GDP level of \$45,000-\$50,000,⁴¹ and to reduce social disparities.

The heart of the paper is dedicated to the essentiality of reducing existing disparities in Israeli society – an economically-polarized⁴² society that is characterized by wide variations in income and productivity levels. The current polarization is, according to the report, the result of gaps in schooling and in higher education, whose consequences can be seen in terms of labor force participation rates and income disparities between different population sectors. This reality, the authors claim, hampers economic growth and leads to social fragmentation.

In the chapter devoted to higher education, the team headed by Prof. Tadmor recommends viewing this educational stratum as a crucial bridge to the realization of a new scientific-social-economic vision for Israel.⁴³ A central theme of the recommendations is that of expanding the research sphere on the basis of excellence and academic competitiveness. The subcommittee headed by Prof. Tadmor recommended that the number of students be more than doubled – from 250,000 in 2007 to 610,000 in 2028, by means of four different types of educational institution, each representing a specific level of academic activity and each having different requirements of its students. The team also recommends raising the percentage of post-secondary students per age cohort to 75 percent, and modifying the structure of higher education so as to achieve the following:

⁴¹ According to the committee's calculations this accomplishment will result in a real doubling of per capita GDP in Israel.

⁴² Israel has a dual economic system according to the language of the committee.

⁴³ Prof. Zehev Tadmor headed the team for Higher Education and Scientific Research. Team members were: Prof. Hanoch Gutfreund, Prof. Shula Volkov, Dan Vilensky, Guri Zilka, and Prof. Yehoshua Yurtner.

Four levels [of institutions] operating side by side fostering competition and an aspiration to excellence, and complementing each other. At the highest academic level will be at least two elite universities, to be ranked among the world's top 20 institutions of higher education. The system will also include research universities accredited to confer degrees at all levels. These will be supplemented by academic colleges and by two-year community and vocational colleges, which will upgrade the existing post-secondary institutions. Some of the community and vocational colleges will be able to admit ultra-Orthodox students seeking educational venues compatible with their values. (Hurwitz (chair) and Brodet (ed.), 2008).

The fourth document was commissioned by the CHE from the OECD and was submitted to the CHE in 2010.⁴⁴ An OECD expert panel was asked to assess the contribution of higher education to meeting the needs of the society and labor market in the Galilee including the contribution of the Technion and the University of Haifa. The report extols the miracle of Israel's economic achievements as well as the rapid expansion of its higher education system, and specifically addresses Israeli society's distinctively entrepreneurial character, Israeli technological innovation, and the country's rise in GDP. Like the other professional committees whose documents have been reviewed here, the OECD report calls special attention to Israel's dual economy as the explanation for disparities in Israeli society, including disparities in higher education (OECD, 2010):

⁴⁴ The author of the paper was a member of the peer review of the OECD whose recommendations were presented to the Council for Higher Education in July 2010. The report was published in November 2011.

Israel has a high average educational attainment level but significant differences between population groups. Low outcomes in education are concentrated among the fastest growing Arab and ultra-Orthodox Jewish populations. Half of the age cohort fails to achieve qualifications to access higher education. In the absence of substantial changes, by 2020 a significant number of new workers will enter the Israeli labour force without relevant skills.

The report looks at three dimensions of the disparity problem: employment level, wage level and access to higher education. The OECD team’s recommendations focus on the following areas: the need to expand and intensify access to higher education; the need to tailor academic programs to suit the needs of the regions in which the colleges are active; the need to decentralize authority from central Israel to the periphery, so that the colleges themselves can be involved in study program design;⁴⁵ the importance of developing a new stratum of two-year, post-secondary institutions as part of the tertiary education system – institutions capable of awarding a degree that, although not the equivalent of a Bachelor’s degree, would nevertheless be sought-after in the labor market, i.e., an Associate’s degree (such institutions would be playing a community college role);⁴⁶ the importance of intensifying cooperation between different types of institutions, including credit transfer; the centrality of deepening the relationship between industry/the labor market and the institutions of higher learning, so that lifelong learning programs can

⁴⁵ The central significance of the recommendation stems from amongst other things the meeting between industry heads in the north who expressed their expectation to be involved in the design of the content of study in the colleges in order to answer the professional challenges that they face.

⁴⁶ Like the recommendations of the subcommittee headed by Prof. Tadmor in the Hurwitz/Brodet Committee report 2008.

be developed. The report describes the role of the northern Israeli colleges in this kind of development (OECD, 2010):

While Israel is ranked high on entrepreneurship, there are wide regional disparities in business creation. There is room for improvement in the contribution of colleges to business creation in the Galilee.

Regarding the opportunities available to the Arab population, and regarding the needs of the labor market, the report explains:

Considerable efforts should be made to develop general competencies among the population to help adjustments to rapid changes in the labour market and to facilitate lifelong learning.

The OECD report attaches great importance to ensuring a real-time response to changing market needs, and, consequently, to updating new study programs in an era of rapid change. Having been asked to address the CHE's slow program review and approval process, the report recommends delegating authority to the colleges and their immediate environments, to ensure that the programs they offer keep pace with the changes taking place in the labor market and meet the needs of the business environments in which they operate.

A complementary issue, one that has been extensively addressed for many years in the literature, is that of the relationship between education and economics. This issue, which three of the four expert committees also mention in their recommendations for development, comes up frequently in research contexts. For example, Professor Robert Topel of the University of Chicago notes that economists studying the relationship between economics and education share a broad consensus that each additional year of schooling translates into an 8-15 percent wage increase; economists also agree that four years

of undergraduate study produce, on average, a 65 percent rise in worker wages, as evidenced by American data from the 1970s on.⁴⁷

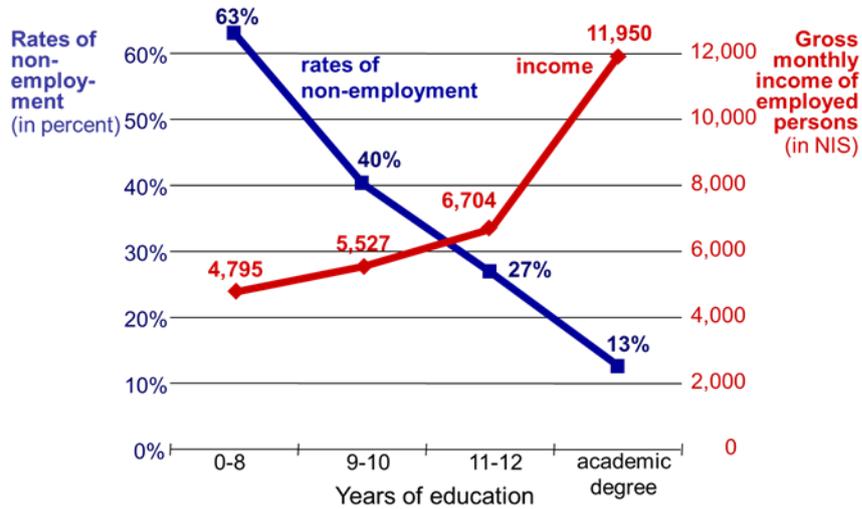
In Israel, similar findings pointing to a correlation between income and education have been noted by Professor Dan Ben-David, Director of the Taub Center for Social Policy Studies in Israel. Ben-David argues that "[t]he chances of citizens with low levels of education being poor are significantly greater than those of citizens who have acquired higher education, and there is a close correlation between high unemployment rates and number of years of schooling" (Ben-David (Ed.), 2010). The relationship between educational level and wages, presented in the following graph, go a long way toward substantiating this argument. One can see that in 2008 the monthly wage of academic degree-holders was NIS 12,000, compared with less than NIS 7,000 for those with 11 to 12 years of schooling.

⁴⁷ Findings that were presented at the Taub Center conference at the Bible Land's Museum, Jerusalem, on 18 September 2011.

Figure 2

Relationship Between Education, Employment and Income

ages 25-54, 2008



Source: Dan Ben-David, *Economic Quarterly* (2003). Updated in Dan Ben-David (2010) (Ed.), *State of the Nation Report: Society, Economy and Policy 2009*.

Data: Central Bureau of Statistics and the OECD.

The figure also shows that the higher a worker's educational level, the greater the chances of being employed. Of those with academic degrees, only 13 percent are not employed, while the rate of unemployment for those with 11-12 years of schooling is twice as high.

The various expert committees emphasize different things in their recommendations. While the Shochat Committee report stresses the importance of addressing weaknesses and making a concerted effort to advance research and improve teaching quality, while also recommending limits to higher education access, the *Israel 2028* report not only sees no contradiction between improving

research/teaching and expanding access – it actually views opening up the gates of academia as an essential condition for the growth of Israeli society and for the narrowing of disparities within it. The OECD expert team's report is very close in its basic outlook to that of *Israel 2028*, when it points to increased access as critical for reducing social disparities and for advancing Israel's national economy. Similar approaches to the advancement of education may be seen in the report of the National Economic Council headed by Professor Trajtenberg. An actual examination of the PBC's multi-year plan will help give a clearer view of the direction in which the system has been headed during the second decade of the 21st century.⁴⁸

3. The PBC Work Plan for Correcting the Failings of the "Lost Decade"

In late 2010 the PBC proposed a new multi-year plan aimed at addressing the flaws and weaknesses that arose during the 2000s. As discussed above, these deficits became apparent for nearly all parameters of academic quality, e.g.: declining numbers of senior faculty, cuts in research budgets, and an erosion of teaching and research infrastructures. During deliberations of the Knesset Education Committee, Minister of Education Gideon Sa'ar discussed the crisis in higher education and mentioned specific features that need to be addressed⁴⁹:

⁴⁸ The current chairman of the PBC, Prof. Manuel Trajtenberg, was directly or indirectly involved in three of the reports that are reviewed in this paper.

⁴⁹ Protocol of the Education Committee of the Knesset, 11 October 2010, pp. 3.

The system has been through a very difficult decade, one that various speakers have referred to as "the lost decade." During that decade the system suffered budgetary erosion, as well as a degree of stagnation. The budgetary erosion also led to a chain reaction characterized by a dearth of job openings in the higher education institutions. This in turn led to an upswing in the phenomenon known as the "brain drain," in which outstanding Israeli researchers were hired by leading foreign universities, particularly in the United States. At the same time, there was an aging of the academic faculties here in Israel, and an unfavorable change in the instructor-student ratio – something that is also unquestionably detrimental to teaching quality.

In the wake of this crisis, the PBC submitted a six-year plan of action aimed at improving the quality of the higher education system. The plan sets forth the following objectives:⁵⁰

1. The PBC's budgetary model should be modified to emphasize research excellence and improved teaching quality;
2. The universities and colleges should hire 2000 new faculty members;
3. Budgets for competitive research should be increased by doubling the budget of the Israel Science Foundation from NIS 270 to NIS 540;
4. The establishment of 30 centers for research excellence;
5. Increased access for the ultra-Orthodox and minority populations;

⁵⁰ Ministry of Finance, Education and the PBC, program from 18 August 2010 (Press Release).

6. Increased investment in teaching and research infrastructures;
7. Intensified quality assessment activity in the teaching and research spheres.

In order to implement the multi-year plan, a state budget increase of two and a half billion shekels has been allocated to the higher education system over a period of six years⁵¹ in addition to the current annual budget of NIS 6.9 billion.

The new PBC work plan's most notable feature is its aspiration to improve research and teaching quality while also limiting access to higher education to the population's natural rate of growth.⁵² The planned budgeting model is oriented toward increasing competition between institutions in the various research fields.⁵³ Dr. Udi Nissan, former Head of the Ministry of Finance Budgets Department, views this model as one that will "lead to greater specialization [and] cooperation between institutions and researchers, and driving the universities to make necessary, if painful, decisions to either

⁵¹ This amounts to NIS 680 million in the course of the first year and additional sums of about NIS 7.5 billion at the end of the six years.

⁵² There is a contradiction between the stated goals of the PBS of increasing accessibility to higher education for Haredim and Arabs, and the policy decision to limit accessibility to 2 percent per year, the average natural growth rate of the population of Israel. The six-year plan of the PBC recommends increasing the rate of Haredi learning in higher education institutions by 4 percent (3,000 students) and the rate of Arabs studying by 2 percent (3,600 students).

⁵³ According to the new model, the resources are allocated differentially to 29 research fields. A large budget is given to a research field in an institution where the research output is greater and diminished, scaled-down budgets to the same fields in institutions with lower research outputs. The departments not included in the high levels of this model will cease receiving research budget in the specified fields of study and so the university will be forced to decide whether to strengthen the field of study from its own resources or to stop its work in that field.

strengthen areas that are weak or curtail or even eliminate them."⁵⁴ In addition to this budgeting model a decision was made to double the Israel Science Foundation budget; to establish centers for excellence; to rejuvenate the system by hiring younger faculty; to decrease the senior faculty-student ratio in the universities from the current figure of 24 to 21.5 to 1, and from 38 to 35 to 1 in the colleges. These measures are, again, aimed at achieving the objectives of the new plan, whose overarching purpose is to ensure and accelerate research.

The new PBC work plan also seeks to tighten the link between labor market needs and funding for higher education institutions by adjusting disciplines in such a way that "if there are disciplines with more degree holders than the OECD norm, then we will give these disciplines less budgeting. If there are disciplines where degree holders are lacking, we'll give more budgeting,"⁵⁵ as explained by Prof. Manuel Trajtenberg, chairman of the PBC. Despite the fact that the PBC has had a mandate since its founding to budget academic programs based on labor market needs, this announcement regarding "discipline-specific adjustment" to the budgeting model can be seen in terms of the quest for a means to strengthen the relationship between labor market needs and the higher education system. However, it is doubtful whether economic needs can be addressed via the kind of measurement proposed.

On the face of it, the PBC's six-year plan would appear to contribute to a gradual advancement of the academic ethos and a halting of the downward spiral of research and teaching quality that characterized the past decade; the intention to prioritize research Master's degrees over non-thesis Master's degrees would seem to support this aspiration. The plan's focus on faculty rejuvenation, on

⁵⁴ Interview with Dr. Udi Nissan from 30 June 2011.

⁵⁵ Protocol of the Education Committee of the Knesset, 11 October 2010, pp. 11-12.

increasing faculty numbers, on changing the instructor-student ratio, on increasing research funds, on encouraging the use of evaluation instruments – all of these things, taken together, may well generate a transformation after the stagnation that characterized the "lost decade."

Anticipated growth in the resources available for competitive research and for research infrastructures, the new budgeting model, increased administrative flexibility, as well as inter-institutional competition over the anticipated resources and the competition to be engendered by the establishment of 30 centers of excellence, are likely to lead two or three of Israel's universities to prominence by the end of the present decade, branding them as elite institutions, as recommended by the *Israel 2028* committee.⁵⁶

Against the background of the objectives derived from the PBC work plan – objectives aimed at generating improvement in teaching and research quality, as well as raising the stature of Israeli's higher education system internationally – the desire to break the momentum of access is particularly conspicuous. The planned addition to the system of 16,000 students⁵⁷ means an average growth of 2,700 students per year,⁵⁸ a rate nearly identical to that of Israel's population increase, i.e., 2 percent per year. This figure is significantly lower than the higher education access targets of the 1990s, and even than those

⁵⁶ Despite the encouragement for institutional cooperation in the establishment of the new centers, the result of this development is likely to underscore the status and uniqueness of two or three institutions.

⁵⁷ In a discussion in the Knesset it was noted by Prof. Manuel Trajtenberg, chairman of the PBC, that there will be no limitations set on the requests for higher education for Haredim and Arabs.

⁵⁸ The recommended accessibility rate is the same as the suggestion of the Shochat Committee from 2007.

of the 2000s, despite the budget cuts that characterized the latter decade.⁵⁹

Since the PBC work plan calls for 55 percent of the already-modest addition to the student population (9,000) to enroll in higher education institutions in northern and southern Israel,⁶⁰ and for another 30 percent to enroll in institutions of higher learning in Jerusalem and in Judea and Samaria,⁶¹ the ultimate outcome will be a near-total freeze in growth for the higher education institutions of central Israel. One may predict that demand for academic education among residents of the center will be diverted to non-budgeted institutions, and that pressure on the extra-budgetary programs operated by the universities will actually increase. We may, therefore, end up with a trend in which the weight of higher education as a private-consumption product rises vis-à-vis higher education as a public-consumption project. The need to restrict access is explained by the former Budgets Department head as follows: "[Any] increase in access today will hurt quality. This has to be halted in the coming years while setting of different priorities." And indeed, following Dr. Udi Nissan's approach, the PBC has shaped a new set of priorities, one designed to return the system to a performance track favorable to the development of human capital and of the Israeli economy – and has, accordingly, received an impressive budget increase.

The PBC work plan has drawn praise from all quarters; its positive features have been noted by the Knesset, higher education institutions and the media. However, the issue of access to higher education has

⁵⁹ According to the report of the PBC, during the 1990s and 2000-2005, a period of growth for the system, the annual average rate of growth was 8.3 percent (PBC Report No. 34/35 for 2006/7 and 2007/8), pp. 57.

⁶⁰ Since in the north and the south of the country there are 13 institutions, the significance of the recommendation is an average addition of 700 students per institution over six years.

⁶¹ Protocol of the Education Committee of the Knesset, 11 October 2010, pp. 6.

been all but disregarded. The planned addition of 16,000 students is insufficient to keep up the momentum of access as envisioned by the CHE since the mid-1990s. This policy, which lay at the heart of the public consensus and was originally formulated by Professor Amnon Rubinstein as Minister of Education and by Professor Amnon Pazi as PBC chair, was maintained under the leadership of Professor Nehemia Levzion and his successor, Professor Shlomo Grossman; yet it was summarily abandoned in the absence of any public or professional reaction when the new plan was presented. The issue of access, which had enjoyed so considerable a degree of public consensus, manifested in the establishment of new higher education institutions and in profound solidarity on the part of the legislative branch, suddenly ceased to be a component of Council for Higher Education policy. Of the many parties that supported and encouraged this policy line over the past fifteen years, not one expressed criticism of the decision to halt the increase in access to higher education. If the Israeli education system has achieved anything since the mid-1990s, it has been the opening of the gates of higher education to new and additional sectors of society. Not only that, but three of the reports reviewed above, which affirm the crucial importance of access in reducing economic and social disparities, failed to leave any mark on policy in this area. The following table paints a comparative picture of the PBC work plan vis-à-vis the expert committee recommendations reviewed in this article.

Table 2. Comparing recommendations: the various committees and the new PBC working plan

Report name or committee	Strengthen basic research	Improve quality of teaching	Widen accessibility	Deepen relationship with industry	Faster accreditation process	Status of two-year institutions	More flexible administration
Agenda for Israel (2007)	X	No discussion	X	X	No discussion	No discussion	No discussion
Shochat Committee (2007)	X	X	Limited to natural growth	No discussion	No discussion	No discussion	X
Israel 2028 (2008)	X	No discussion	X	X	No discussion	X	No discussion
OECD Report (2010)	No discussion	No discussion	X	X	X	X	X
PCB Working plan (2011)	X	X	Limited to natural growth	X	X	No discussion	No discussion

The following portion of the article attempts to zero in on what is lacking in the new PBC work plan, and recommends considering new directions for action that will serve as a foundation for policy and provide a new horizon for activity in the medium and long-term.

4. What Areas Are Left Unaddressed by the New PBC Work Plan?

Since 2011, circumstances have posed a formidable challenge to the PBC work plan. The plan aims to enhance the status and attainments of Israeli academic research while also improving the quality of instruction; however, the pursuit of these two objectives was disrupted over the past decade. It is to be hoped that the plan will, ultimately, help revitalize the system and remedy its ills. Yet notwithstanding the importance of the PBC's defined objectives, the absence of certain other objectives reveals weaknesses that mar the plan and deserve to be addressed.

Four main elements are missing from the plan: adopting a new conceptual approach to higher education access; reinforcing the connection between the labor market and the higher education system; formulating policy on the training of quality teachers; and changing the model of responsibility for academic quality and loosening the bureaucratic bottleneck.

A. New Tools for Access to Higher Education

Israel's higher education system has been successful, as noted previously, in facilitating access to academic study via 66 institutions that are dispersed throughout the country, including in the geographic periphery. This is, beyond question, a major achievement for the Israeli higher education system. Indeed, two of the reports reviewed above (Israel 2028 and the OECD 2010 report) strongly emphasize the importance of expanding access to higher education, particularly for those sectors situated on the lower half of Israel's socioeconomic ladder, as an essential condition for the national economy's continued

development.⁶² Moreover, the disenfranchisement of this lower-ranking half of the population is thought to cut across all possible parameters – education, employment, wage, poverty level – and to be evident as well in a lack of opportunities for social mobility. Thus, any attempt to reduce disparities stemming from Israel's socioeconomic structure must focus specifically on promoting and upgrading education for this portion of the population. One piece of data amongst many will suffice to indicate both the size of the gap and the direction in which efforts should be channeled: the mean monthly wage of those with 16 or more years of schooling is NIS 11,600, while the mean monthly wage of those with 11-12 years of schooling is NIS 6,000 (Central Bureau of Statistics, 2010A).

On the face of it, the rapid expansion of Israeli higher education would seem to be a major factor in its declining quality, as the Shochat Committee report maintains. A similar argument was raised during CHE deliberations in 1974 and 1993, when the issue of increasing access was being deliberated. One can scarcely imagine what Israeli society would be like today had the minority Council positions of 1974 and 1993 been adopted. The PBC work plan that was approved in 2011 by the Council and which, moreover, received the backing of the Knesset Education Committee, for the first time adopts the minority view from the 1970s and the 1990s – the view that posited a conflict between academic quality and expanding the base of the higher educational pyramid. Opposing this argument was the view that academic quality would actually improve as the structure of opportunities for higher-education expanded, inasmuch as the top of the pyramid – the portion representing highest quality – would be

⁶² The two additional reports are also mentioned in the review, the Taub Center Report (2010) and the Report of the National Council for Economics (2007). They emphasize the component of education as a method of narrowing gaps although they do not specifically focus on higher education.

more populated (Volansky, 2005). The decision to limit the extent of access was made in an era when expectations of higher education became entrenched within large portions of the Israeli population – sectors for which, not many years earlier, higher education had been an unattainable dream. Many Israelis from these disadvantaged sectors have indeed been able to pursue higher education and are now first-generation academic degree holders. The recent decision to limit access is, in fact, distancing Israel from the international trend toward expanding access to higher education (OECD 2010: *Education at a Glance*).

Strong expectations of access to higher education have resulted both from PBC and Council for Higher Education policy, and from Ministry of Education policy aimed at raising the percentage of those eligible for matriculation certificates. For example, initiatives on the part of higher education institutions and other organizations, by encouraging and helping young people in Israeli's periphery to pursue academic study, have helped make the idea of acquiring an undergraduate degree seem accessible. Organizations such as *Hesegim*, *Akademia* and *Atidim* (Volansky, 2009),⁶³ as well as *BaSha'ar*, which mobilizes scores of academic instructors for voluntary activity vis-à-vis Israel's social periphery, strive to foster awareness of the possibility of post-secondary study. The Ministry of Education's consistent policy has been one of increasing the percentage of those eligible for matriculation certificates, and the Ministry allocates extensive budgetary resources toward that end.⁶⁴

⁶³ The non-profit *Hesegim* (Achievements) won funding and support from the PBC for its activities. The two other organizations functioned under the sponsorship of three philanthropic foundations.

⁶⁴ A new work agreement that was formulated between the Ministry of Finance, Ministry of Education and the Secondary Schools Teacher's Union and signed in the course of July 2011, gave personal incentives to teachers, at a cumulative amount of tens of thousands of million shekels, for raising the rate of successful completing matriculation certification.

Many high schools and local authorities now have "higher education coordinators" whose job it is to encourage and facilitate access to academic study for those who might not ordinarily think of themselves as suitable candidates for such a pursuit. This attitudinal change testifies to a situation like an arrow that has been fired where any attempt to return it to the bow is doomed to failure. Higher education access is a social/educational process that cannot be reversed and whose positive outcomes should be welcomed, rather than countered by a quota policy aimed at limiting access. The latter policy line is essentially trying to return social consciousness that has by now become widespread, to an earlier state; it is no more likely to succeed than would a policy aimed at imposing quotas on secondary education. Not only that, but the labor market has responded to the pro-access policy in an appropriate manner. This may be seen in the educational upgrading that has occurred in a wide variety of health, recreational and educational occupations, e.g., the advanced-degree requirement included in the new labor agreements for primary and secondary school teachers.

The rationale mounted by the Shochat Committee – that there is a causal relation between declining academic quality and past policy facilitating access – is not reflected in the actual decision making processes regarding budget cuts. It is merely a convenient myth that is being used to camouflage the real nature of an ongoing dispute between the PBC and the Ministry of Finance⁶⁵ over the image of the higher education system – a dispute that has grown increasingly bitter since the late 1990s (Volansky, 2005).⁶⁶ The Shochat Committee

⁶⁵ Members of the Council for Higher Education were not immune to this argument. Over the years, there were members who expressed their reservations at the fast rate of development of the number of institutions for higher learning and saw this as an academic quality compromise of the system.

⁶⁶ The book devotes a chapter to the crisis of trust between the PBC and the Ministry of Finance.

recommendations on access,⁶⁷ as well as the Economic Arrangements bills and various statements made by former Budgets Department directors Koby Haber and Udi Nissan, offer a measure of insight into the character and sources of the dispute.⁶⁸

In reality, not only is the CHE/PBC's focus on restoring Israeli academia to its former luster not contradicted by any continued expansion of access to higher education, but the CHE's public status and mandated mission are in fact closely linked to its ability to enlarge the base of Israel's higher educational pyramid. Moreover, increased access does not necessarily entail founding new institutions for higher learning but rather adopting a new conceptual framework vis-à-vis post-secondary education – as has been done by many countries around the world.

Within the education world there is a concept known as *tertiary education*, a concept that encompasses a wide range of post-secondary

⁶⁷ Koby Haber, head of the Budgets Department of the Ministry of Finance, was a member of the Shochat Committee that recommended limiting accessibility to higher education to the natural population growth rate. The significance of this recommendation is essentially a freezing in the real size of the number of students in the system.

⁶⁸ The absence of consistency in government policy regarding accessibility to institutions of higher learning is seen when examining the issue of research in the Political Science Departments. MK Limor Livnat published a deeply critical article on the higher education policy that essentially stopped accessibility to higher education while the policy of the Council for Higher Education allowed an average annual growth of colleges of 19.2 percent and 3.6 percent at universities. At the same time, a fellow party member of hers, Minister of Education Gideon Sa'ar, adopted an opposite policy that would limit accessibility to the natural population growth. The Labor Party adopted a wider policy for accessibility to higher education, during the Rabin Administration and through initiated legislation of Ehud Barak prior to his appointment as head of the government as well as during his administration, that was opposite through two party members who were signed on the Shochat Report, the Chairman of the committee, Abraham Shochat and the then-Minister of Education, Prof. Yuli Tamir.

educational institutions, as well recognizing the transferring of academic credits from one such institution to another (e.g., the Bologna Agreement). The array of institutional types of which tertiary education is composed includes: research universities, academic degree-awarding colleges, and two-year colleges that award the Associate's Degree or which constitute a preparatory stage on the way to further post-secondary study (community colleges). A national higher education policy should look not only at the percentage of those studying for academic degrees, but also at the overall percentage of those enrolled in a broad range of post-secondary institutions (Altbach, 2001; Bowen, Kurzweil and Trow, 2001; Tobin, 2005). For example, in Israel in 2009 there were 62,000 students enrolled in two-year institutions that confer non-academic vocational diplomas in a wide variety of fields (approximately 130 institutions),⁶⁹ and another 290,000 students in academic institutions. National planning would do well to take a broad view of national societal and economic needs – a view in which the two aforementioned categories of post-secondary institution would be formally linked. In planning terms, this would involve coordinating the study programs of different types of institution so as to facilitate modular learning, the transfer of credits between different types of institution, the physical use of existing buildings and a reliance on existing academic faculty. An encompassing perspective such as this would help increase access to higher education and develop a higher education system composed of three separate yet complementary levels, similar to the higher education systems of California, New York and Japan.⁷⁰

⁶⁹ A study done by Tel-Aviv University in 2003 used projections for demand for education in the American market for the years 2000-2010. It was found that the main growth in demand was expected for associate degrees (graduates of two-year institutions) (the Interdisciplinary Center for Technology Analysis and Forecasting, 2003).

⁷⁰ There are a few colleges where alongside full academic studies there are two-year courses of study for engineering degrees.

The need to formulate new approaches to facilitating access is rooted in three basic assumptions. The first of these is that access to higher education for those situated on the lower half of the socioeconomic scale can be assured via institutions that are "softer" in terms of their academic standards, and which thus offer the student a period of adjustment and even preparation for further academic study. The second assumption is that more flexible tools are needed in order to attract the ultra-Orthodox population to higher education,⁷¹ as well as women from the Arab sector. The third assumption, one based on Central Bureau of Statistics research findings on the opportunity structure of higher education, is that the likelihood of acquiring an academic degree in Israel's geographic periphery is linked to physical proximity to appropriate institutions. The study authors found that "for every ten kilometers added to the average distance students needed to travel, the chance of high school graduates in [a given] locality pursuing higher education declined by 6.5 percent" (Krentzler, 2010). From this one may conclude that any attempt to increase higher education access by preferentially targeting Israel's geographic periphery must include the creation of "access bridges." It would seem, on the face of it, that the two-year colleges scattered around the country, or the one-year institutions that existing academic institutions might wish to establish (extensions),⁷² could serve as bridges for

⁷¹ There is a great deal of evidence that at the present time there are new conditions that were not in the past, for integrating the Haredi population, primarily women. This issue has a central role also in the new working program of the PBC, although the traditional tools and main decision of the Council for Higher Education are likely to be shown as an obstruction in the encouragement process. There is a need to adopt ways of thinking and tools that take into consideration the cultural limitations of the Haredi sector in programs of higher learning.

⁷² In the 1960s area colleges grew up which eventually became extensions of universities. These extensions were the main infrastructure for widening enrollment to higher education in the course of the 1990s.

expanding access to higher education, similar to the bridge created during the 1960s in the form of the regional colleges. Under current conditions in Israel, not only is there no officially-sanctioned relationship between the two categories of post-secondary institution, but Council decisions have actually precluded the formation of any such relationship. For example, in 2000, Sapir College was asked to close the extension that it had established in Rahat, and Tel-Hai College was asked not to found a *mechina* [pre-academic preparatory program] in Maghar, despite the well-substantiated rationale for such an initiative that had been brought before the CHE in 2009.

Thus, it appears that any higher education policy aimed at improving the status of the lower socioeconomic strata and reducing the social and economic gaps that characterize Israeli society must employ new tools for increasing higher education access.⁷³ The tools in question are not new to the world of higher education as a whole, but they are not a part of the Israeli system's operational tradition. The CHE and the PBC enjoy professional and public prestige, and bear a responsibility to engage in national planning that stays abreast of current trends. Developing the operational framework described above would ultimately make it possible for 75 percent of any relevant population cohort to pursue studies within the proposed system structure, as per the strategy outlined in *Israel 2028* by the higher education team headed by Professor Zehev Tadmor.⁷⁴

⁷³ At a conference held by the non-profit "*Sha'ar*" at Tel-Aviv University on 6 May 2011 on the subject of "Haredim in Higher Education" Adina Bar-Shalom, head of the Women's Haredi College in Jerusalem, noted that in 2011 her institution accepted only a tenth of all applicants due to a lack of funding and not because they were not suitable candidates.

⁷⁴ The development of the academic colleges in Israel created an absurd situation where the professional and public status of two-year colleges was downgraded. Job requirements that in the past asked for an associate degree (two-year degree) in engineering upgraded their demand to a full academic degree or preference was given to candidates with a four-year degree. The

B. The Higher Education System and the Labor Market: Developing a Plan for Lifelong Learning⁷⁵

The transition to a knowledge economy, the pace at which new knowledge accumulates, the rapidly-multiplying interfaces between knowledge and technology – all of these elements, particularly over the past decade, have helped shape a new, labor-market-oriented approach to education. The labor market has become a slippery slope for both national economies and workers as individuals, with one indication of this being levels of personal job security (a measure that has become an indicator of employment stability⁷⁶). Job security levels have eroded for both businesses and individuals (Bauman 2002; Strasser, 2003). This development illustrates the depth of the educational paradox: an advanced degree holder – a Master's or doctorate – is liable to be a victim of the rapid rate of knowledge advancement and be excluded from the circle of the employed, despite academic degrees. The "publish or perish" phenomenon so well-known in the halls of academia has now become relevant to those

result of this policy intensified the feeling of the lack of relevance for this course of study also amongst the heads of these institutions. This trend was found in contrast to international data that indicates the need to invest more in this type of degree (see the projections of the American market in the report of the Interdisciplinary Center for Technology Analysis and Forecasting, Tel-Aviv University, pp. 3.)

⁷⁵ Known in the literature as Lifelong Learning.

⁷⁶ Manpower Agency, for example, publishes an annual index that is called Career Confidence Index. According to this measure published in November 2005, and tested in 18 states, the amount of career confidence reaches an average of 54.6 percent. In the analysis of data from another survey, it was found that in more than half of the countries in the world, 45 percent or more of workers are fearful that they will be unemployed within the next 12 months. In that same year, Israel was second, after Spain, with 67 percent of workers in Israel indicating that they are afraid that they will be unemployed in the course of the next 12 months (Source: Manpower, 2005).

active outside the academic sphere; the term might well be reformulated as "renewal or perish."

Awareness of the need for "renewal" has grown along with the transition to a knowledge society, and it has become increasingly clear that growth and renewal, whether of enterprises or of individuals, depend on keeping knowledge current (Central Bureau of Statistics, 2010B). One can glean from this the following insights: an academic degree is no longer sufficient for stability over the course of one's employment career, and attaining such stability means constantly renewing knowledge that is current and relevant to the organization and the individual (Blanden, Buscha, Stufgis and Urwin, 2010).

This attitudinal change is driving a change in education policy in many countries. National economies and organizations are involved in creating incentives for knowledge renewal through comprehensive policy, with the participation of governments, higher education institutions, labor and employer organizations in both the private and public sectors.⁷⁷ These groups have joined together out of an understanding that continued national economic growth depends on knowledge renewal and update. For example: the European Economic Community has set a quantitative goal for 2020 regarding the participation of at least 15 percent of all workers aged 25-64 in knowledge renewal programs (OECD, 2009). In Japan consortia have been established in the country's various districts in order to advance the same goal.⁷⁸ In Germany knowledge centers of the type described above have been founded in a context of regional cooperation – a process in which the universities play a central role.⁷⁹ The Israeli government held a discussion on the topic in July 2010.⁸⁰

⁷⁷ http://ec.europa.eu/education/lifelong-learning-policy/doc1120_en.htm.

⁷⁸ <http://www.softopia.or.jp/en/>

⁷⁹ Lifelong Learning implications for Universities.mht/

⁸⁰ A letter from Yonatan Regev, Manager of Higher Education and Research and Development Sector, from 21 July 2010, on the subject of strengthening the

The report of the National Economic Council (2007) identified these needs in Israel, as did the OECD report (2010) commissioned by the Council for Higher Education. Although policy formulation in this area is not the clear or exclusive province of the CHE, the latter organization plays a major role in all developments regarding the topic in question. This role entails the adoption of flexible knowledge-acquisition methods, in accordance with changing needs and circumstances. Although university extension faculties have based their vision on the aforementioned principles, there is a great discrepancy between the way in which these faculties are organized and the adjustments required by labor market needs. In this area as well the PBC, as the provider of incentives to higher education institutions, plays a crucial role in ensuring that the necessary change patterns are implemented. This kind of renewal can address, simultaneously, the needs of society, the needs of the economy, and the development and renewal needs of institutions of higher learning.

C. Teacher Training Policy

Since the founding of the state, the Ministry of Education has been responsible for teacher training policy, while the Council for Higher Education has focused on reviewing academic program approval requests submitted by teacher training institutions through the Ministry of Education, and with the Ministry's recommendation.⁸¹ In 2006 the CHE approved the recommendations of the committee that it had appointed (the Ariav Committee) to formulate teacher training guidelines for academic institutions (colleges and universities). These guidelines were intended to improve teacher quality and to make

relationship and information management between academic institutions and industry.

⁸¹ A process that had already begun at the end of the 1970s.

teacher training responsive to changing needs, while strengthening subject specialization (Council on Higher Education, 2006).

The approved plan, by focusing on the upgrade of existing programs, failed to address the fundamental problem of teacher quality – a problem whose severity became clear over the past decade. In 2010 the Central Bureau of Statistics conducted a quality assessment of teachers who had been hired on the completion of their training, whether in university or college settings. The quality indicators, based on psychometric test scores, testify to the exceedingly low quality of teachers hired during the period 2000-2005, particularly those trained by the colleges.⁸² The data, which were presented to Education Minister Gideon Sa'ar and Ministry Director-General Dr. Shimshon Shoshani, indicate that the main, acute problem is not rooted in the programs themselves (though program improvements and upgrades are always welcome), but rather in the cultural wealth of those who had been recruited for teaching over the preceding decade. This finding is consistent with non-quantitative information amassed within the Ministry of Education, as well with a research study conducted by Ayalon and Yogev (2002) that yielded similar findings. The findings impelled the university schools of education to develop a plan capable of addressing the teacher quality crisis; this plan was submitted to the Minister of Education and the Ministry Director-General.⁸³ The proposal aims to recruit young Israelis with high levels of cultural wealth for the teaching profession

⁸² It should be noted that the psychometric scores of those who completed their training but chose not to enter teaching were higher when compared to those who completed their training and chose to enter the profession. Out of a sense of responsibility to teachers in general and to avoid labeling the general population of teachers, the author refrained from using the data that was available to him.

⁸³ A suggestion of the university schools of education for dealing with the crisis in the quality of teaching staff in a letter of Prof. Ofra Meisels, from 13 October 2010.

through Master's degree studies in education that includes pedagogical training to holders of Bachelor's degrees in all disciplines. What is distinctive about the plan is its aspiration to recruit only those in the upper quarter of the university applicant population.⁸⁴ The proposal, which is supported in principle by the Ministry of Education,⁸⁵ is based on an array of incentives to be offered to students throughout their years of study, and during their first years of employment in the schools.⁸⁶ The assumption is that, if the goal of recruiting 1,000 young people per year can be met – young people with high levels of cultural wealth and strong academic skills – then one may expect a gradual change in the quality of Israel's teaching staff.⁸⁷

In order for a program of this kind to succeed, the PBC must provide a great deal of backing and incentivizing. The students being targeted – the higher education system's most qualified students – are greatly in demand as research and teaching assistants, and are sought after within a labor market thirsty for talent. Without unwavering support from the president and rector of a given institution, and unless the institution accords the relevant program flagship status, the program is liable to falter. In order to recruit 1,000 outstanding students per year into the teaching profession, efforts must be mounted on different fronts, and a variety of incentives must be offered. The program's success therefore entails open support and

⁸⁴ A similar suggestion came up in the committee headed by the then-Deputy Chairman of the Council for Higher Education, Prof. Yehezkel Teller in 2005.

⁸⁵ An agreement has not been signed between the Ministry of Education and university as of April 2011.

⁸⁶ Summary of a discussion that took place in the Division of the General Manger on 13 February 2011.

⁸⁷ A summary of recommendations of the heads of schools of education from eight universities to the Director-General of the Ministry of Education from 27 March 2011.

incentivization on the part of the PBC.⁸⁸ Pedagogical quality at the early educational levels unquestionably has a direct impact on the quality of higher education, meaning that any attempt to upgrade academic quality entails policymaking with regard to the training of early-education teachers. The system is, essentially, one of reciprocal influences, in which the entire process ultimately has an impact on the quality of Israeli academia – an argument that has not infrequently been put forward during CHE deliberations (see, for example, a CHE meeting protocol from 1993, pp. 148-151, in: Volansky, 2005). This is an opportune time for the CHE to mobilize for needed change in the teacher quality sphere (McKinsey et al., 2007), in much the same way as policies regarding professional quality have been adopted by Finland, Japan (Volansky, 2001) and Singapore (Volansky, 2011) (Kozma, 2005).

D. Changing the Model of Responsibility for Quality and Loosening the Bureaucratic Bottleneck

By law, the CHE is the national authority charged with approving new academic programs and with accrediting institutions to award academic degrees. The relevant legislation was passed at a time when there were five higher education institutions in Israel. Today, when Israel is home to 66 such institutions, serving some 290,000 students, the kind of regulation entailed by the law is clearly incompatible with numerical developments.

In the current reality, there is a bottleneck in which some 450 study programs await approval; in some cases the wait has been many years.

⁸⁸ In the 1970s Prof. Rotenstreich, the first Chairman of the PBC, headed the Education Committee of the Council for Higher Education. It was the period of the "great reform" in education and the presence of the Chairman of the PBC also influenced and contributed to the university schools of education in advancing the reform which was then the "flagship" of the Ministry of Education (Volansky, 2005).

These delays serve, ultimately, to dampen initiative and innovation on the part of the institutions' academic leadership, who, in turn, express their frustration both in writing and in person (OECD Report to the CHE, 2010). Indeed, the current PBC chair not only identified the problem on assuming his duties, but also recently drew up a plan to resolve it, one that would require the CHE to address program approval requests within an accelerated timeframe (Haaretz, 13 April 2011).

However welcome this initiative to improve efficiency in the program-approval process after long years of foot-dragging, it is nevertheless worth considering alternative approaches. One is justified in wondering whether an efficiency effort – however innovative – on the part of a centralized apparatus can actually address the myriad of initiatives, ideas and ambitions that have been proposed by such a diffuse higher education system.

The problem with the existing program review and approval process is not merely one of timetables but rather of who takes responsibility for pedagogical quality. Once the CHE academic division's multi-year program assessment process has been completed, and a given program launched, the institution is, apparently, exempt from any need to evaluate the program over the years of its operation. The institution breathes a sigh of relief on being authorized to operate a new academic program, after waiting several years.⁸⁹ But it is in the nature of a study program to undergo changes over time that may compromise its quality. For example, as the years pass the program director's academic status may evolve or there may be changes in the faculty composition, the structure of the relevant courses, the syllabi, or the student composition. All of these support the argument that

⁸⁹ A striking expression of the "sigh of relief" of institutions after receipt of their long awaited approval was a newspaper headline where the head of the institution blessed the head of the program upon receipt of the program accreditation by the Council for Higher Education.

academic programs frequently deviate from their original structure, as approved by the Council. And indeed, evaluation reports commissioned by the CHE in a number of fields since 2005 testify, very strongly at times, to declining quality.⁹⁰ The evaluations leave one with the impression that many programs, if they had to come up for re-approval by the CHE, would not obtain the accreditation. Not only that, but it appears that the existing program review method, though highly demanding during the first few years of program operation, does not give the CHE the necessary tools to ensure the long-term quality of the programs that it has approved.

What one is left with, then, is a paradox. While the CHE bears responsibility for assessing the quality of academic programs while they are being launched, it has no ability to ensure that a given program's original quality level is maintained over its lifetime. At the same time, the operating institution is formally exempt from any such responsibility.

The alternative proposed is that a new concept of responsibility be formulated, in which the operating institution plays a more central role than it plays today: it will be the institution's task to appoint professional committees, to develop programs of greater relevance to the needs of its local labor market, and to respond to criticism regarding program quality once its graduates have entered the work force. This approach does not necessarily relieve the Council of its traditional duties. The CHE must henceforth study the needs of the institutions and the rationale behind the programs that they seek to offer; it must approve the structure of the committees charged with designing the programs, follow up on the measures being taken by the institutions to improve program quality, ensure the transparency of the quality indicators employed, and monitor quality not merely at the

⁹⁰ See the reports of the committees that examined the PBC that appear on the Council's website.

time programs are launched, but throughout the years of their operation. Program renewal and labor market satisfaction with the quality of a given institution's graduates are just part of the burden of public proof that the institution must bear. Institutions must also be prepared, as part of their responsibility vis-à-vis the public, to terminate programs that do not meet academic standards, as measured by accepted and transparent indicators. This operational model also has the potential to encourage innovation, creativity, diversity and variety in program structure, as befits the dynamic character of scholarship and market needs – inasmuch as it is less subject to the dictates of discipline-specific experts and discipline-specific procedures which by nature can be conservative at times.

The test of higher education should be its ability to develop a new culture of responsibility for quality. Under the present, traditional system, institutional responsibility is partial and limited. That responsibility tends, as noted, to shrink once programs have been approved by the CHE, meaning that institutions of higher education have no incentive to continually struggle to improve quality. Quality deterioration was one of the main features of the "lost decade" and should be one of the issues addressed by the new PBC work plan.⁹¹

⁹¹A recommendation of this type came up for discussion in the Council for Higher Education in the 1990s. The first to raise it was Prof. Eli Nissim in 1994 and it was raised again in 2006 in the work of Volansky and Limor, and again in 2010 in the OECD report.

5. *Conclusions*

The period of higher educational expansion that began in the mid-1990s came to an end during the 2000s in an atmosphere of crisis that encompassed nearly all operational parameters of Israeli academia: budget cuts; a halt in the hiring of young instructors; a change in the senior faculty-student ratio; a rise in the average age of researchers; a distancing of the universities from their original research-institution mission; a decline in the quality of academic education; and the development of a culture of academic degree "shortcuts."

The early 2010s appear to be a turning point. The critical rhetoric that characterized discourse on higher education during the 2000s has been replaced by a supportive and sympathetic tone, and by an emphasis on the importance of higher education to society and to the economy. The practical embodiment of this attitudinal change is a trend toward close cooperation between the Ministry of Finance and the PBC, reflected in a significant budgetary increase for the new work plan. This plan is indeed setting a new agenda and defining objectives that, at least theoretically, will serve as a crucial channel for rectifying the mistakes of the past decade.

The conclusions that may be drawn for higher education policy relate to three different areas. One is that there should be symbiosis between the PBC and the Ministry of Finance in terms of mutually agreed upon objectives that are measurable and transparent to all, as a basic and essential precondition, with the PBC continuing to manage the higher education system via its role as mediator between the government and the institutions of higher learning. When the PBC was perceived as weak the academic system was pummeled repeatedly, first in the form of budget cuts and then in terms of threatened change in its legal status via the Economic Arrangements Law initiatives.

A second conclusion pertains to teaching quality. While the budgeting model which is meant to improve research output is clear, varied, creative and generous, the budgeting model for improved teaching quality – a sphere whose weaknesses have been described previously – is not sufficiently clear or precise.⁹² The lack of clarity regarding operational objectives is actually underscored by the new labor agreement with the faculty of the budgeted colleges. This special collective agreement, to which the PBC is a party, stipulates a reduced teaching load of up to 10 percent on average, in favor of research.⁹³

This stipulation constitutes a designation of the colleges as research institutions, even if fundamental differences may continue to exist in this regard between the college and the university budgeting systems. The question that arises is why, if wage increases are needed, should they not be employed as incentives for better teaching quality? At the least, consideration should be given to dividing grants between high quality teaching and research achievements. This exclusive emphasis on research undermines the declared policy regarding the colleges' basic mission which was to provide high-quality teaching.⁹⁴

⁹² It is reasonable to assume that there is still room for discussion regarding the model for budgeting to improve the quality of teaching.

⁹³ A special collective agreement between the Committee of Heads of Academic and Public Colleges in Israel, the Academic Council of the Organization of Academic College Personnel and the PBC, undated (according to press reports it was signed on 22 June 2011).

⁹⁴ In a series of discussions in the Council for Higher Education a dividing line was determined between universities and colleges. The mission of universities is to develop and upgrade research and instill it into its student population, the mission of colleges was designed to serve as institutions for academic level teaching and not as research institutions. Despite this distinction, in practice there are no obstacles preventing college staff from submitting grant applications to national or international foundations; the rate of research grants to college academic staff of the ISF is gradually increasing. This policy also does not limit possibilities for cooperation between academic college staff and university researchers and, in fact, a cooperative research between

This agreement sends Israeli college instructors the message that they should be devoting the larger part of their efforts to research if they want to climb the ladder of academic recognition. However, this is a misleading message: it is doubtful whether the colleges will be able, by means of this grant, to break into the big leagues dominated by the research institutions. The colleges' best chance of earning public respect actually lies in their ability to provide quality instruction of a kind that is not necessarily found at the universities. The colleges' complaint that, because they are not perceived as research institutions, they have a hard time attracting returning Israeli scientists, could be addressed via special budgets for a limited (or expanding) faculty of such scientists, without the colleges having to deviate from their original mission of providing quality instruction. Pedagogical quality improvement is a sphere that requires Sisyphean effort, pro-activity, creativity, and innovation on the part of the PBC. The new wage agreement erodes the effort to generate improvement in this sphere and, in essence, erodes the message that pedagogical quality is important.

A third conclusion relates to the status of the CHE and the PBC among the various stakeholders within Israeli society. A high degree of understanding between the PBC and the Ministry of Finance is more essential than one might think for Israel's higher education system. Testimony to this may be seen in a statement by a former Budgets Department director, to the effect that the new PBC leadership had overcome its past weaknesses and succeeded in setting clear and transparent goals, and that "today's PBC people have shaken up the system."⁹⁵ Yet important as these understandings are, it must be acknowledged that the Ministry of Finance is not the only player on

researchers at the Jezreel Valley College was noted lately as one of four centers of excellence.

⁹⁵ Interview with Dr. Udi Nissan, head of Budgets Department for the Ministry of Finance, from 30 June 2011.

the higher educational stage. In order to ensure that the system does not become mired in a "Lost Decade 2," the PBC must not only maintain close cooperation with the Ministry of Finance and be sure to meet the objectives of the work plan that won it both trust and budgeting (aimed at reciprocally encouraging renewal and growth); it must also lay the foundations of groundbreaking policy for the coming years. The higher the status of the PBC in the eyes of the government and the Ministry of Finance, and the more important it becomes to ensure that the agreements with the Ministry are maintained, the more important it will be to set original and innovative objectives capable of serving Israeli society, broadly defined.

The Ministry of Finance Budgets Department, despite the criticism that it has drawn,⁹⁶ has nevertheless demonstrated considerable professionalism by supporting the PBC work plan and increasing the PBC budget by NIS 7.5 billion over six years. The PBC has identified with and embraced a policy of limiting demand for higher education, as noted in interviews with former and present Budgets Department directors. Unadvisable as it might be for the PBC to "burn its bridges" with the Ministry of Finance, and clear though the necessity may be for compromise regarding policy implementation if budgets for improved research and teaching are to be allocated, the Ministry of Finance is mistaken, and the PBC and CHE are equally mistaken, in assuming that demand for higher education can be dampened. The other option available to the PBC, one that does not entail deviation from the policy line that it has embraced jointly with the Ministry of Finance, is that of developing an operational policy aimed at forging a new relationship between the two-year institutions and the academic institutions, so as to address the need for access to post-secondary study on the part of additional sectors of society, including the ultra-

⁹⁶ For example, see the article by Nehemiah Stressler in *Ha'aretz* for the decision to add budget to the higher education system.

Orthodox and Arab sectors. For example, many graduates of the Beit Yaakov schools (primary and secondary institutions serving ultra-Orthodox girls and young women) want to pursue post-secondary study in a range of disciplines. However, the idea of studying on the campus of a university or large college is more of an obstacle than an incentive. A similar barrier exists with regard to Arab women, whose cultural background and environmental circumstances still pose difficulties for access to existing educational centers, despite the geographic distribution of these centers and their operational flexibility. The practical and technological orientation of the two-year schools may well make them not merely "soft" frameworks suited to the needs of the populations in question, but an effective means of relieving pressure on the academic institutions to provide access, and of avoiding the criticism that a strict policy of limiting access to higher education may be expected to elicit.

This kind of policy, should it be adopted by the PBC, could potentially represent a convergence of interests with the Ministry of Finance, and ensure Ministry support for the PBC. There is considerable frustration within the Ministry of Finance over the collapse of technological and vocational education within the Ministry of Education. An expansive higher educational policy that engages with the two-year technical and vocational schools might serve as an intermediate stage in the rectification of failed educational policy, and reap large dividends for the PBC from both the government and the public. The PBC's entry into the planning, though not necessarily the budgeting, of the two-year institutions could prove to be a far-reaching contribution to Israel's economy, and a means of driving the country toward the objective outlined in *Israel 2028*, namely, that the proportion of the relevant age group enrolled in post-secondary and academic institutions should reach 75 percent.

Complementary measures on the part of the PBC, such as encouraging the institutions of higher to adopt a broad policy of fostering lifelong learning, helping the Ministry of Education to resolve the teacher quality crisis, changing the model of responsibility for quality and redefining the institutional role in quality assurance, may well bolster the status of the PBC and the CHE over the coming decades, and propel Israel's higher education system toward continued growth and renewal.

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