

CHANGES AND CHALLENGES IN SPANISH HIGHER EDUCATION

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Abstract - *Significant political and sociological changes have occurred in Spain in the last two decades. These changes have considerably affected the higher education system. While the results may be considered positive in general, many aspects still could and should be improved. Higher education in Spain currently has to cope with new challenges in order to place the system at the desirable level of quality. The main changes that have occurred in the Spanish higher education system, and its current challenges, are discussed in this paper.*

Introduction

During the last two decades, Spain experienced a period of profound changes affecting its social and economic systems. The most noteworthy transformations have been the consolidation of democratic institutions, the shifting towards an urban, service-based economy, and a remarkable increase in the average educational attainment of the population. Political and economic changes have considerably affected the higher education system. Universities, which were completely controlled by the central government, are currently autonomous. They have moved from depending on central government to depending on autonomous regional governments. They have changed from an hierarchical internal structure where all university officials were appointed by the government, to an extremely democratic way of behaving. Curricula, which were the same in all universities, are now distinct in each university.

The organisation of the curriculum, which had a rigid structure, is now modular. Higher education financing, research funding, and funds for student aid programmes have been greatly increased in recent years. All these changes took place in a very short period of time, during which the number of students increased dramatically as well. These events have motivated a very dynamic process of change that has not yet ended. While the results may be considered positive in general, many aspects could and should be improved. Higher education in Spain currently has to cope with new challenges in order to place the system at the desirable level of quality. The main changes that have occurred in the system in recent years, and the challenges that should be coped with by Spanish universities, are discussed in this paper.

Access to higher education

Compulsory education lasts 10 years in Spain, from 6 to 16 years of age. After finishing these compulsory levels, students can follow two additional years of upper secondary education. After finishing secondary education, students have to pass an *entrance exam* to enter higher education. The main goal of this entrance exam is controlling standards of educational achievement in the secondary schools, public and private. A high percentage of students pass this exam, and those who pass it receive a total score (*selectivity score*) that is the mean of the score obtained in the entrance exam, and the average score obtained in the last year of secondary education. The *selectivity score* is used to assign students to programmes depending on their preferences and the availability of places. Generally speaking, access to higher education in Spain is quite open. The percentage of new entrants to higher education among youths at the theoretical starting age, reached 43.3 per cent in 1992 (OECD, 1995). Nevertheless, the rigidity of the access system causes a considerable mismatch between the wishes of the students and the programmes which they are eventually enrolled in.

Higher education institutions

Higher education in Spain consists almost exclusively of universities. There are forty-five public universities, and twelve private ones. Two of them are Distance Universities. One third of the universities are less than a decade old, and only twelve are more than thirty years old, but among these twelve, nine were founded in the Middle Ages. These figures give a clear indication of the relevance of recent changes in the higher education system. There is also an incipient vocational post-secondary education outside the university system. Most students enrol in public universities, although the increasing number of private universities enrolled roughly 4 per cent of higher education students. There are three basic types of university programmes: short-cycle programmes, which are more vocationally oriented, and last three years; long-cycle programmes, which last five or six years; and doctoral programmes, which add two years of course work and require the preparation of a research-oriented thesis after a long-cycle degree. Doctoral programmes are primarily pursued by students interested in an academic career.

Although there are three universities specifically focused on Engineering, most universities have a broad range of programmes, from Engineering to Humanities. There is no significant diversity among universities, though some newer universities, many of which were created by the segregation of campuses

of older ones - and normally located in smaller cities - are more focused on short-cycle programmes.

A relevant characteristic of the Spanish public universities is the average size of the institutions, very big when international standards are taken into account: the average number of students is over thirty thousand. Only ten universities have less than ten thousand students, eight have more than fifty thousand, and two, the National Distance University and the University Complutense of Madrid, exceed one hundred thousand students.

The legal framework of higher education

The current structure of higher education was established in 1983 by the *University Reform Act (Ley de Reforma Universitaria, LRU)*. This brought great changes to the legal framework of Spanish universities, which until then had been wholly regulated by the central authorities of the Ministry of Education. The LRU formed the basis for the process of emancipation of higher education from the control of the State. The main changes introduced by LRU were:

- a) Universities became autonomous entities.
- b) The direct responsibility over universities was transferred from the central government to autonomous regions.
- c) The establishment of private universities became a possibility.

Under the new legal structure, power over the universities is shared by:

- a) Central government. General and legal issues concerning staff (most of them tenured civil servants) and basic legal rules for governing universities depend on this level.
- b) Regional governments. Responsibility for financing public universities and planning higher education in the region lies at this level.
- c) Universities. Internal organisation, detailed curricula of programmes, selection of staff (restricted by the general rules for civil servants), organisation of research, and internal budgeting decisions are made by universities.

The Council of Universities was established as a co-ordinating body for these three groups which share power over universities. The Council of Universities is composed of all the rectors of the universities, one representative of each Regional Government, and several members of the Ministry of Education. Aspects related to basic guidelines for curricula, rules on students' access, and the quality assessment programme are co-ordinated by this buffer body.

The LRU initiated democratisation of the internal structure of universities. The power over big decisions was transferred to collegiate bodies where non-academic staff and students are present in a considerable proportion (roughly, one third of the members). The University Senate has considerable power, including the election of the rector. Boards with large numbers of members make the decisions in faculties and departments, and elect deans and heads of departments. The Social Council (patterned after boards of trustees in other university systems) was also established as an external body representing the wide interests of society in the University. Nevertheless, the real influence of this body is quite low, due to a lack of tradition and to an unclear legal definition of its role.

Higher education students

As in other countries, the growth in the population of students in higher education in the last decades has been dramatic. As can be observed in Table 1, since the 1960's the expansion of the higher education system has been continuous, almost duplicating each decade. However, the increase has slowed down in the last years, and a stabilisation (if not a decrease) in the number of students is foreseen to take place very soon due to the remarkable decrease in the size of the cohort of youths reaching the age for entering higher education.

TABLE 1: Growth of university students

	Total (thousands)
1950-51	151
1960-61	178
1970-71	357
1980-81	649
1990-91	1,140
1991-92	1,208
1992-93	1,291
1993-94	1,378
1994-95	1,440
1995-96	1,498
1996-97	1,534

Source: Consejo de Universidades (1996)

The proportion of women in the higher education population has surpassed the proportion of men during the last decade, although the biggest jump for women occurred earlier. In 1970, the proportion of women was just 26 per cent, but by 1980 had reached 44 per cent. In 1986 the proportion reached 50 per cent and continued increasing since then, currently reaching 54% of the higher education population.

The distribution of students by fields is presented in Table 2. Social Sciences (where Economics and Business are the most popular disciplines) and Law account for more than half of the students. This field has had major growth in the last thirty years, shifting from less than 25 per cent in 1962 to the current 52 per cent. Two reasons explain the expansion of this field: (a) the perception that graduates of this field have higher possibilities for employment and flexibility in the labour market; and (b) the no-restrictions policy for entering this field, due to the lower cost that these programmes require. Traditionally, Engineering has been in high demand, but the number of places offered has been scarce and the level of difficulty for students very high. Recently, the establishment of new programmes, especially short-cycle programmes, and the increasing participation of women have increased the share of Engineering students, reaching 23 per cent.

TABLE 2: *Distribution of students by field (percentages)*

	1996-97
Humanities	10
Experimental Sciences	8
Health Sciences	7
Social Sciences & Law	52
Engineering	23

Source: Consejo de Universidades (1996)

To have a more accurate picture of the Spanish university system, it is important to note that students spend considerably more time finishing their studies than is formally required. Therefore, the number of students graduating each year is relatively low, despite the large numbers of people enrolled in universities. This is explained by the high number of drops-out and students who fall behind. For instance, in the academic year 1992-93, 22 per cent of the students who enrolled in the first year were repeating their studies, and only 32 per cent of the students in the fifth year had entered the programme five years before.

The socio-economic background of university students

Table 3 presents the distribution by the educational level of the parents of university students in different fields and types of programmes. We can appreciate how the educational family background is determinant for the choice between long and short-cycle programmes, in such a way that children from more educated families have a clear preference for long-cycle programmes. The parents' educational level is less influential on the choice of field of study. Nevertheless, the most prestigious fields which lead to the most appreciated careers, like Health Sciences and Engineering, are also preferred more by children whose parents have a higher education degree.

TABLE 3: *Students of different fields by the educational level of the father (columns add 100)*

	Total	Long-C.	Short-C.	Human.	Soc. Sc.	Exp. Sc.	Health	Eng.
Illiterates	8	7	10	9	8	8	6	7
Primary	37	33	45	41	38	36	33	34
Secondary	28	28	27	26	28	29	26	29
Higher education	28	33	17	24	27	28	35	30

Source: Elaborated from data of the *Consejo de Universidades* (1996)

In Table 4, we present the socio-economic category of the main householder in families with children who have entered higher education. As reference, we also present in the first column the proportion of each category in the entire population. We may observe that:

- Although families whose main householder is a manager or director, are only 10.5 per cent of the population, their children represent 25 per cent of the young entering higher education.
- On the other hand, children of agricultural workers and unskilled workers, who represent 10.9 per cent of the population, make up only 3.6 per cent of the higher education population.
- The young people in families in which the main householder is a skilled worker either in the industrial or in the service sector, have a reasonable representation in higher education. Together, children from these families (53.7 per cent of the population) account for 46.3 per cent of the higher education population.

- On the whole, one half of the higher education population comes from families which are classified as workers, either skilled or not, while the other half belongs to families which main householder is an owner, employer or manager, despite this group representing only one third of the considered population.

TABLE 4: Socio-economic background of the young population by job of the main householder (columns add to 100)

	Total	Youths in Higher Ed.
Agriculture workers	8.0	2.0
Unskilled workers	2.9	1.6
Skilled industrial workers	32.3	21.2
Service-sector workers	21.4	25.1
Agriculture employers	7.9	5.5
Professionals and employers	17.0	19.7
Managers and directors	10.5	25.0

Source: Mora (1997a)

TABLE 5: Socio-economic background of the young population by deciles of family income per household member (columns add to 100)

	Total	Youths in Higher Ed.
1 Decile	9.5	2.9
2 Decile	10.6	5.8
3 Decile	10.8	7.5
4 Decile	11.4	9.3
5 Decile	11.6	10.8
6 Decile	11.8	13.2
7 Decile	10.8	13.0
8 Decile	9.8	13.2
9 Decile	8.2	12.8
10 Decile	5.6	11.5

Source: Mora (1997a)

In the second part of the table we present data on the family income per household member. The distribution of higher education population per decile is closer to the distribution population (obviously 10 per cent in each decile). However, the proportion of higher education population in the first three deciles is clearly below 10 per cent. We could conclude that approximately 30 per cent of the population with fewer economic resources are under-represented in Spanish higher education. Nevertheless, starting from the fourth decile, the distribution of higher education population is relatively uniform. We could conclude that in spite of the improvement in equity, less privileged groups are still under-represented in the higher education population. Low educational levels, low-skilled jobs, and low family incomes decrease the opportunity for children to enter higher education.

The financial system

Before the LRU, universities were directly financed by the central government. The LRU represented the beginning of a profound financial change. In the current financial model, regional governments grant funds to universities as a lump sum which they freely allocate internally. However, the main items of the expenditure budget (costs of personnel) and of the income budget (appropriations from regional governments and tuition fees) are fixed externally.

Not only did the financial system change, but also total funds devoted to universities increased enormously after the LRU. The total higher education expenditure in Spain reached 0.99 per cent of the GDP in 1994 (Table 6). This percentage is still below the average in developed countries, but considerably higher than the same figure in Spain ten years before: in 1985 the total expenditure in higher education was only 0.54 per cent of the GDP. Although this dramatic increase in the last decade is unique among developed countries, none of them had such a poor level of financing for higher education. Increasing the financial resources was an indispensable requirement for modernising universities and implementing reforms. Thus, this noteworthy increase could be considered as a national necessity for improving the access and quality of higher education, and bringing it up to international standards. Nevertheless, while public funds increased, allocation models based on explicit and rational criteria were not implemented to assign public funds among universities.

Unlike other European countries, Spanish universities have always charged tuition fees. Tuition fees accounted for about 20% of the university budget at the beginning of the 1980s. Private participation in higher education financing is 0.17 per cent of the GDP. Most of this comes from fees to public and private

universities. Participation of enterprises in university financing is still incipient. In the last decade, the increase of public funds to higher education has been higher than the growth of private funds, also a peculiarity of Spain in the recent development of higher education financing among developed countries.

TABLE 6: Higher education expenditure (as percentage of the GDP)

	1985	1990	1994
Expenditure of public universities	0.47	0.72	0.88
Student aid	0.04	0.08	0.09
Total public expenditure in HE	0.43	0.70	0.82
Total private expenditure in HE	0.10	0.12	0.17
Total expenditure in HE	0.54	0.82	0.99

Source: MH (several years), Consejo de Universidades (1996), Ministry of Education (unpublished data)

Some regional governments and experts became conscious at the beginning of the 1990s of the necessity to change the financing system. They recommended setting up criteria to finance universities and to allocate public funds. This would at the same time stimulate quality and competitiveness among the institutions. The Council of Universities drafted the Report on Financing of the University (Consejo de Universidades, 1995; Mora and Villarreal, 1996) that proposed changes in the financial system to regional governments, introducing criteria based on inputs, outputs, and performance. The *Report* recommended that though a major part of the financing of universities should remain public in the future, self-financing in universities (fees and external contracts) should be increased, and some part of the public funds given to universities should be based on competitive criteria to promote quality. Nevertheless, three years after the publication of the *Report*, no actions have been implemented to carry out its recommendations.

Tuition fees and student aid

Tuition fees, that vary slightly in different regions and programmes, are approximately between 400 and 600 dollars per year, and do not represent a substantial obstacle in access to higher education. Middle and upper class families can afford to send their children to universities with little difficulty. As most

students commute, few of them have to face housing costs. On the other hand, in a situation of high unemployment among young people, opportunity costs are also scarcely significant.

In Spain, and perhaps in other Mediterranean countries, the economic support for higher education students is socially considered as a private matter and, consequently, student expenditure is almost exclusively supported by the families. Student aid programmes are not as well developed as in other countries. Though student aid programmes have grown considerably in the last decade (Table 6), currently they only represent 0.09 per cent of the GDP. Student aid programmes are composed exclusively of grants. Academic performance and economic level are the major factors determining the receipt of a grant. The percentage of beneficiaries of any type of grant is about 16 per cent of the higher education students. This percentage is insufficient to offset social inequalities. Increasing total funds to promote equality in access to higher education, and the mobility of students, should be an objective for the development of higher education.

As a consequence of the poor student aid system, albeit for cultural reasons, geographical mobility is very low. Few people study in a university out of the region where their families live, and most students live with their parents. On the other hand, in most cases students do not have a job, not even a temporary or seasonal one. Thus, they are extremely dependent on their families.

Graduate labour market

As a consequence of the rapid increase in schooling, the educational composition of the population has changed noticeably during the decade, as we can appreciate in Table 7. In just ten years, for instance, the percentage of people with secondary or higher education has shifted from 34 to 49 per cent, and the percentage of people with a higher education degree multiplied by 2.3.

TABLE 7: Distribution of the adult population by educational level

Educational level	1977	1996
Illiteracy	8.9%	4.2%
Primary	70.7%	46.7%
Secondary	16.2%	39.5%
Higher education	4.2%	9.6%

The other face of the recent and fast educational development is unemployment. As can be seen in Table 8, unemployment is very high in Spain, though it decreases with the age groups and educational levels. In the case of higher education graduates, unemployment rates are very high for the younger groups but decrease dramatically for older groups. Women's unemployment is always higher than men's. This fact explains the massive incorporation of women in higher education, and why they are surpassing men in educational achievement at every level. For women, accumulating human capital is the best alternative they have to cope with a complex labour market.

Why is the labour market so difficult for young higher education graduates in Spain? Table 8 gives us a historical perspective of this phenomenon. In this table we can observe the development of the total number of individuals and of the unemployment rates, for both the whole population and higher education graduates. The growth in the number of graduates has been impressive. It has been multiplied by five. Nevertheless, the growth in the number of employed graduates has been slower, in such a way that the unemployment of graduates has increased steadily since 1975. In short, during this period, the Spanish economy has been able to create 1.6 millions of new jobs for graduates. The problem is that it has not been able to create the almost 1.8 million jobs that would be necessary to avoid unemployment.

TABLE 8: *Population (16 years and over) and higher education graduates*

Year	Total ('000)		Unemployment rate	
	Population	H. Ed. Grad.	Population	H. Ed. Grad.
1964	23,179	572	2.1%	0.9%
1970	24,850	775	1.2%	0.8%
1975	26,174	1,001	4.0%	2.8%
1980	27,031	1,335	11.7%	9.9%
1985	28,583	1,732	21.6%	16.4%
1990	30,334	2,316	16.2%	11.9%
1995	31,784	2,894	22.9%	16.2%

Source: Elaborated with data the Labour Force Survey (1964 to 1995)

Several reasons explain this lack of jobs for graduates:

- a) Demography. People between 20 and 30 years of age are the baby-boomers in Spain.
- b) Educational growth. The young generation is not only the most numerous but also the most educated.
- c) Economy. The Spanish economy is not focused enough on developed technology, and does not have the capacity to generate enough jobs for graduates.
- d) Finally, the higher education system in Spain, as in other Mediterranean countries (namely France and Italy), is focused on professional education. The educational system has been historically based on the transmission of knowledge and professional skills needed for occupations. When the type of occupations and competencies for jobs change very fast, this system is too rigid to adapt to the changing labour market. Consequently, competencies that students learn in the Spanish higher education system are not the most useful to cope with new situations.

Curricular changes

The traditional organisation of coursework in Spanish universities was a consequence of the centralised system which existed before the LRU. Curricula were closed, almost identical in every university, and had a very limited proportion of optional courses. Besides, courses were strongly focused on theoretical aspects of knowledge, leaving out the practical aspects. Courses were very long and extended over the entire academic year. The rigidity of this system was evident. Adaptability to society's needs, to students' curricular demands, and to the variability of labour market demands, required a substantial reform in the curriculum. This process of reform began several years ago when the Council of Universities fixed basic criteria for fulfilling new curricula for the programmes. Universities had extensive freedom for elaborating the detailed curricula of programmes according to their own objectives. The development of new curricula was carried out in each university in *ad hoc* committees for each programme. In these committees, a conflict arose between what was in the interest of academics, and the suitability of adapting curricula to the consumer and labour markets. How this conflict was resolved differed in each university and programme, but overall, the interests of academics were favoured too greatly.

The new curricula have a modular structure, the courses are delivered in semesters, the proportion of optional courses is high and the practical approach has been enhanced in every course. This new organisation of teaching has introduced a pedagogic revolution into Spanish universities, and has enhanced a trend towards a market-driven policy, since it tries to respond to the variable demands and needs of both students and employers. Nevertheless, very few years after the implementation of the new structure, it is evident that these goals are not going to be met. On one hand, teachers were not trained and motivated to introduce significant changes in the way they teach (traditionally lectures with limited interaction between teacher and students and among students). On the other hand, the still scarce financial resources in Spanish universities are incompatible with the growing proportion of optional courses and emphasis on practical concerns in most courses. At this moment, a counter-reform is taking place limiting the number of courses offered and reducing the teaching hours to avoid overloading students.

Accountability and assessment

The traditional higher education system, monopolised and completely regulated by the State, obviously did not concern itself with accountability. However, the more autonomous the system becomes, the more necessary accountability is. Accountability and assessment are two basic tools to inform society of how higher education institutions are functioning. In Spain, higher education accountability and assessment are quite recent, but over the last decade it has become a very rapidly developing area. Research started to be evaluated in 1986 as a prerequisite step for receiving special funds for projects, but generalised assessment of individuals and institutions began only in the 1990s. In trying to develop accountability and quality in universities, the Council of Universities implemented an Experimental Programme for the Evaluation of the Quality of the University System (García *et al.*, 1995) in 1992, adapting the usual means for institutional evaluation to Spanish universities. This pilot programme evaluated teaching, research and management in several universities. The process ended in 1994 and the success of the project encouraged the Council of Universities to establish the National Programme for Assessment of Quality in Universities (Mora, 1997b; Consejo de Universidades, 1997; Mora and Vidal, 1998). This is a general evaluation process that is currently underway. Both promoting quality in the institutions, and developing accountability, particularly to their main clients (students) and those responsible for finance (regional governments), are the goals of this process.

The structure of power in the universities

Legal and structural changes have produced a change in the structure of power in universities. They have begun to loosen from the State control. Nevertheless, these changes do not necessarily mean that universities are moving quickly towards the market, in Clark's (1983) use of that term. Strong attractive forces from the State and from the academics are slowing down the approach to a more extensive influence of the market.

In spite of autonomy, the power that central and regional government have over universities remains strong, due to:

- The substantial economic dependence of public universities on the financial resources from the regional governments (for basic financing) and from the central government (for research funding).
- Governments still play a role in university management because they regulate tuition fees and staff salaries, both academic and non-academic. The equalisation of the earnings of staff in different universities or programmes, along with a rather generalised aversion Spaniards have towards geographical mobility, severely limits the ability of institutions to bid for the best staff. On the other hand, uniformity of tuition fees avoids sending market signs to potential clients on the value or the quality of the services that universities are offering.
- Regionalisation has increased the relative political value of universities and regional governments frequently demonstrate the desire to exert an internal influence (Neave, 1994).

On the other hand, the power that academics have over the higher education system is too strong, due to:

- The almost exclusive influence of academics on governing and managing universities. The democratic development of the Spanish university at the beginning of the 1980s was necessary to break down old structures and reduce dependence on the State. Nevertheless, the risk exists that the academic oligarchy will become the only dominant force in the higher education system.
- The small influence of community as a whole on the governing of universities due to the limited power of the Social Council.
- The lack of tradition in the Spanish university in considering itself as a service to community. Consequently, the lack of mechanisms for assessment and accountability, as a tool for informing society.

Challenges to be coped with

The development of the Spanish higher education system in recent years could be considered as very positive. The increasing autonomy with the corresponding structural changes, the amount of resources, both financial and human, aimed at higher education, and the shift to a mass higher education system, have dramatically transformed the higher education system which could be considered significantly better now than it was two decades ago. Nevertheless, the higher education system is now facing a change which has developed gradually throughout the last thirty years: the stabilisation of the number of students, and the slowing down in the increase of resources given to higher education. Universities are entering a new situation of stability where quality is the most important challenge to be coped with. It is generally assumed that it is necessary to introduce legal and organisational changes in universities in order to confront this challenge with success. The deficiencies that have come up during the last period of fruitful transformation should be eliminated to improve the overall quality of universities.

Recent changes have moved the Spanish higher education system from the category 'State', in the well known scheme of Clark (1983), to another position closer to the category 'academic oligarchy'. Although market forces are gaining influence in Spanish higher education, the system is still too far from the 'market' (Mora, 1997c). In our opinion, market forces should be incremented in order to develop competitiveness and increasing diversification among institutions, with the aim of giving better service to students and employers.

In recent times, the main impetus for the reform was the modernisation and democratisation of universities, along with the adaptation of the higher education system to the socio-economic needs of an industrialised country. Now, it is time to introduce market forces in higher education. Bearing in mind that this is a general trend elsewhere, it is presumed that market influences will eventually become an important co-ordinating factor in Spanish higher education. It is unlikely that the market will ever reach the preponderous influence it has achieved in other countries, but it is quite likely that the Spanish higher education system will move towards an equilibrium point in which the State (as the surrogate for all of the community), academia (as the experts in the production process), and the market (as the best means for satisfying the needs of students and employers), will act harmoniously.

From our point of view, the introduction of market forces in Spanish higher education requires some structural changes. They should be the key factors which will allow for further actions in improving quality in the near future. At least, the following three aspects of the current structure of the higher education system could be considered as key factors for further advancements: new financial

arrangements, student mobility, and new governing structures for institutions. Each of these is considered in turn.

New financial arrangements

The current financial system has two aspects that should be changed: (a) the allocation system of public funds; and (b) the capacity of institutions to control their own financial resources. The need for these changes is not specific to Spain. There is a general trend in other countries recommending action on these same aspects (OECD, 1990; Eicher and Chevallier, 1993).

There are different mechanisms for introducing performance and quality-related funding. The objective of an allocation system should be to stimulate quality and diversification in university services. When funds are linked to specific objectives, the result should be a stimulus on the innovation and quality of universities. Some of these mechanisms were proposed in the Report mentioned above (Mora and Villarreal, 1996).

Another important transformation that should be implemented is giving universities a greater control over their own resources. Universities should have more freedom to determine tuition fees. They should be set according to the regional governments but depending on the demand and quality of services offered by each university or by each programme.

Mobility of students

Before the LRU, all universities offered the same curricula, and degrees were granted by the State, not by universities. The country was divided in sectors with each one having one university. Students living in a sector were allocated to this university if the programme in which they wished to enrol in was available. This system changed, and now students may apply at other universities. Nevertheless, most students still choose the university nearest to their homes. Although universities are diversifying, potential students do not perceive differences in goals or quality, mainly because it is only recently that universities began to give indications about their unique qualities. Financial reasons also prevent students from attending universities in other regions. It is difficult for young students to obtain funds from a part-time job. This, coupled with the strong fondness that most Spaniards feel for their local area, makes university students prefer to live at home with their parents.

The mobility of students, and the possibility of selecting programmes among a wide number of universities, either Spanish or European, should be a key factor in moving the Spanish university system to be more market-driven. Although it

is difficult to change aspects firmly rooted in the traditional culture, an effective programme for grants and loans should have an important effect on the selection that students have to make on the institution. The availability of resources of their own would allow students to select programmes and universities based on the quality of the institution. At the same time, they would be more involved in their work as students during their stay at a higher education institution. This financial mechanism would help students turn into partners in the educational process, and not be mere consumers of education (Phillips, 1989).

New governing structure of institutions

As we have mentioned before, the governing structure of universities changed dramatically during the eighties transforming them into institutions with a high level of internal democracy. This change has had a very positive effect on the renewal and management of higher education institutions. Nevertheless, what was adequate for the change and the growth of the system is not so for the new situation in which institutions have to compete for resources and students, and where quality is now the main goal. The need for changing the governing structure of universities in order to make them more entrepreneurial and more efficient, is a general feeling among experts and analysts of higher education.

It is considered among experts that the main change to be introduced is the method for electing the rector, and in the whole way of running universities. The current election system by staff and students should be changed and replaced by a new system in which community has greater, if not total influence. A Board, composed of representatives from community as a whole, should be the body in charge of universities, and responsible for the appointment of rectors. They should be appointed according to their managerial abilities for running big companies, because big corporations are precisely what universities are currently becoming. A new type of rector should also introduce new managerial styles in running universities, taking part of the strong power that professors currently have. The university autonomy should be seen as the capacity that institutions and academics have for freely teaching and researching, but not as an exclusive right for the management of institutions by academics themselves.

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